



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Web: www.nepa.org.pk, E-mail: registrar@nepa.org.pk

No. NEPRA/TRF-341/TESCO-2016/4773-4775
April 8, 2016

Subject: Determination of the Authority in the matter of Petition filed by the Tribal Areas Electricity Supply Company Ltd. (TESCO) for Determination of its Consumer end Tariff Pertaining to Financial Year 2015-2016 based on Actual/ Estimated Results or the Financial Year 2014-15 as a Base Year [Case # NEPRA/TRF-341/TESCO-2016]

Dear Sir,

Please find enclosed herewith the subject Determination of the Authority along with Annexure-I, II, III, IV, V, VI, & VII (76 pages) in Case No. NEPRA/TRF-341/TESCO-2016.

2. The Determination is being intimated to the Federal Government for the purpose of notification of the approved tariff in the official gazette pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997) and Rule 16(11) of the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998.

3. The Order part along with Annexure-I, II, III, IV, V, VI & VII of the Determination needs to be notified in the official Gazette.

Enclosure: As above

8/4/16
(Syed Safer Hussain)
7

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

CC:

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



National Electric Power Regulatory Authority
(NEPRA)

PETITION NO: NEPRA/TRF-341/TESCO-2016

TARIFF DETERMINATION
FOR
TRIBAL AREAS ELECTRICITY SUPPLY COMPANY LIMITED
(TESCO)
DETERMINED UNDER
NEPRA TARIFF (STANDARDS AND PROCEDURE) RULES - 1998

Islamabad

8th April , 2016



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



MEPCO	Multan Electric Power Company Limited
MMBTU	One million British Thermal Units
MoWP	Ministry of Water and Power
MVA	Mega Volt Amp
MW	Mega Watt
NEPRA	National Electric Power Regulatory Authority
NOC	Network Operation Centre
NTDC	National Transmission & Despatch Company
O&M	Operation and Maintenance
OGRA	Oil and Gas Regulatory Authority
PEPCO	Pakistan Electric Power Company
PESCO	Peshawar Electric Supply Company Limited
PDEIP	Power Distribution Enhancement Investment Program
PDP	Power Distribution Program
PPA	Power Purchase Agreement
PPAA	Power Procurement Agency Agreement
PPP	Power Purchase Price
PYA	Prior Year Adjustment
R&M	Repair and Maintenance
RAB	Regulatory Asset Base
RE	Rural Electrification
RFO	Residual Fuel Oil
RLNG	Re-gasified Liquefied Natural Gas
RoE	Return on Equity
RORB	Return on Rate Base
ROR	Rate of Return
SBP	State Bank of Pakistan
SOT	Schedule of Tariff
STG	Secondary Transmission Grid
SYT	Single Year Tariff
T&D	Transmission and Distribution
TFC	Term Finance Certificate
TOU	Time of Use
TOR	Term of Reference
TPM	Transfer Price Mechanism



USCF	The fixed charge part of the Use of System Charges in Rs./kW/Month
UOSC	Use of System Charges
WACC	Weighted average cost of capital
WAPDA	Water and Power Development Authority
XWDISCO	Ex-WAPDA Distribution Company



**DETERMINATION OF THE AUTHORITY IN THE MATTER OF PETITION FILED BY THE
TRIBAL AREAS ELECTRICITY SUPPLY COMPANY LIMITED (TESCO) FOR THE
DETERMINATION OF ITS CONSUMER END TARIFF PERTAINING TO FY 2015-16
BASED ON ACTUAL/ESTIMATED RESULTS OR THE FY 2014-15 AS BASE YEAR.**

CASE NO. NEPRA/TRF/341/TESCO-2016

PETITIONER

Tribal Areas Electric Supply Company Limited (TESCO), Head Office, Sakhi Chashma,
Shami Road, Peshawar.

INTERVENER

NIL

COMMENTATOR

Pakistan Telecommunication Company Limited (PTCL)

REPRESENTATION

- | | |
|----------------------------|--------------------------------|
| ▪ Engr. Dr. Zakaullah Khan | Chief Executive Officer |
| ▪ Engr. Capt. Tahir Farooq | Manager H/Q |
| ▪ Mr. Gul Nawaz Khan | Director Commercial |
| ▪ Mr. Abdul Haq | Dy. Manager Corporate Accounts |
| ▪ Mr. Fazli Wahab | Addl. Dy. Manager C/A |
| ▪ Mr. Tajamul Hussain | Addl. Dy. Manager C/S |



The Authority, in exercise of the powers conferred on it under Section 7(3) (a) read with Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, Tariff Standards and Procedure Rules, 1998 and all other powers enabling it in this behalf and after taking into consideration all the submissions made by the parties, issues raised, evidence/record produced during hearings, and all other relevant material, hereby issues this determination.

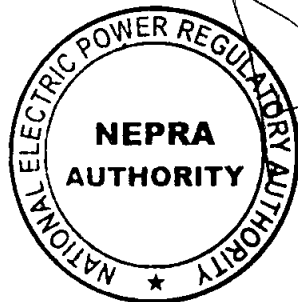
Khawaja Muhammad Naeem
Member

Maj (R) Haroon Rashid
Member

Syed Masood ul-Hassan Naqvi
Member

Himayat Ullah Khan
Vice Chairman

Brig (R) Tariq Saddozai
Chairman





1. **Background**

- 1.1 Tribal Areas Electricity Supply Company Limited (TESCO), hereinafter called "the Petitioner", being a Distribution Licensee of NEPRA filed a petition for the determination of its consumer-end tariff pertaining to the FY 2015-16 under single-year tariff regime in terms of Rule 3(1) of Tariff Standards & Procedure Rules-1998 (hereinafter referred as "Rules").

2. **RELIEF SOUGHT**

- 2.1 The Petitioner has sought the following reliefs:

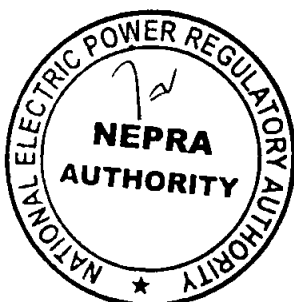
- Ensuring the financial viability for the reliable supply of electricity to its 0.441 million consumers;
- Timely Determination of Tariff along with its monthly adjustments or annual adjustments as proposed, providing sufficient time to the Petitioner for the recovery of the determined revenue requirement;
- Fixing of target of T&D losses by taking a realistic approach;
- Approving the requested investment plan.
- Allowing Rs.2,816 million as Distribution Margin;
- Allowing working capital requirement
- Any other relief.

3. **PROCEEDINGS**

- 3.1 In terms of rule 4 of the Tariff standard and Procedure Rules, 1998 (hereinafter referred to as "Rules"), the petition was admitted by the Authority on 17th February, 2016. In compliance of the provisions of rules 5 & 6 of the Rules, notice of admission / hearing along-with the title and brief description of the petition was published in newspapers on 5th March 2016 and separate notices were also sent to the parties which were considered to be affected or interested. Comments /replies and filing of intervention petition was desired from any interested person within 7 days of the publication.

4. **FILING OF OBJECTIONS/ COMMENTS:**

- 4.1 Comments/replies and filing of Intervention Request (IR), if any, were desired from the interested person/ party within 7 days of the publication of notice of admission in



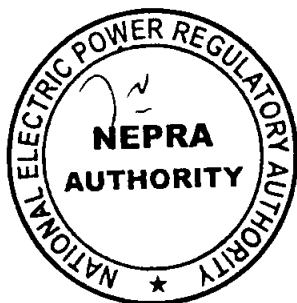


terms of Rule 6, 7 & 8 of the Rules. In response thereof no intervention request was received, however, written comments were filed by PTCL during the hearing.

5. COMMENTATOR

5.1 Pakistan Telecommunication Company Limited (PTCL)

- 5.1.1 A brief of the comments submitted by M/s PTCL is as under;
- 5.1.2 The commentator informed that it has a total of 36 connections with the Petitioner and the total amount billed to it is Rs. 15,561,252.
- 5.1.3 The commentator further submitted that during the tariff determination for the year 2013-2014, the Authority had directed the Petitioner to ensure that its complaint cells are functioning properly and its website is capable of downloading the electricity bills for the convenience of consumers.
- 5.1.4 The commentator apprised that the Petitioner has failed to comply with the NEPRA instructions and there is no complaint cell functional in the area of Kohat, Bannu, Hangu and Tank. PTCL exchanges located in FATA are being billed by TESCO on estimated units without making physical visits and reading, resultantly, the billed units do not correspond with the actual units consumed and excessive/wrong and incorrect tariff are applied to all connections.
- 5.1.5 The commentator also mentioned that when it approaches the Petitioner for correction of wrong reading, over billing, the officials of TESCO are almost unavailable in their office, hence no body attends the complaint and no response is received from SDO/RO/XEN.
- 5.1.6 The commentator further stated that the Authority directed the Petitioner to install / replace TOU meters for the consumer categories having sanctioned load of 5 KW and above and further directed it to submit a comprehensive plan along with completion time lines for the Installation/replacement of TOU meters pertaining to all the consumer categories having sanctioned load of 5KW and above not later than 30th June 2014.
- 5.1.7 The commentator has stated that the Petitioner has failed to comply with the Authority's instructions to replace TOU meter of PTCL exchange. It further mentioned that some of its meters are faulty, which are repeatedly being reported for replacement but the Petitioner is unable to rectify the issue. Various complaints have been lodged at local office of Hangu, Kohat, etc. and meetings have also been held with the Petitioner but no response has been received so far.



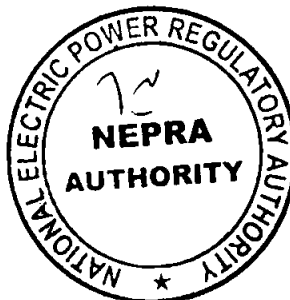
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- 5.1.8 The commentator on the issue of financial impact of TOU meter has stated that there is no financial impact faced by the Petitioner and the question raised by the DISCOs that financial impact/revenue loss due to TOU metering for cellular companies is baseless, as highest rates are being charged by the DISCOs during peak hours consumption, but heavy loss is sustained by the cellular companies and PTCL if peak hrs are not observed by him.
- 5.1.9 On the issue of existing service delivering structures of circles, divisions and sub-divisions, the commentator has stated that the Petitioner's offices are not following the rule and regulation of the Authority and consumers are facing difficulty by means of over billing, wrong reading and un attending consumer complaints.
- 5.1.10 The commentator has requested that the Petitioner may be directed to oblige the Consumer Service Manual, Performance Standards (Distribution) Rules, 2005 and Eligibility Criteria for Consumers of Distribution Companies 2003. The commentator further requested to direct the Petitioner to take reading on monthly basis in the presences of PTCL's representative, Defective meter should be replaced with TOU meters, as per Consumer Service Manual Complaint cell and ONE WINDOW operation may be established at sub division/division level to redress the complaints. The Tariff A-2 (C) may be changed.

6. FRAMING OF ISSUES

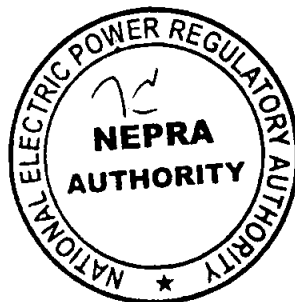
- 6.1 The pleadings so available on record were examined by the Authority in terms of rule 9 of the Tariff Rules; accordingly, in order to arrive at a just and informed decision, it was decided to conduct a hearing in the matter on 22nd March, 2016 at NEPRA Tower G-5/1 Islamabad. Notices of hearing were published in the leading newspapers on March 05, 2016. On the basis of pleadings and available record, the following issues were framed to be considered during the hearing and for presenting written as well as oral evidence and arguments:-

- Whether the petitioner has complied with the directions of the Authority given in the tariff determination for the FY 2014-15?
- Whether the Petitioner's projected power purchases & sales for the FY 2015-16, is reasonable?
- Whether the Petitioner's projected power purchase cost for the FY 2015-16, is justified?
- Whether the transmission and distribution losses for FY 2015-16 requested by the are justified?





- Whether the projected O&M cost for the FY 2015-16, is justified?
- Whether the Petitioner's request to link repair & maintenance cost with its net fixed assets merits consideration?
- Whether the proposed depreciation charge for the FY 2015-16, is justified?
- Whether the projected other income for the FY 2015-16, is justified?
- Whether the prior year adjustment calculated by the Petitioner related to FY 2014-15 is accurate?
- Whether the projected Return on Regulatory Asset Base (RoRB) for the FY 2015-16, is justified?
- Whether the requested Rate of Return (RoR) is justified?
- Whether the Petitioner's request for provision of bad debts merits consideration?
- Whether the Petitioner's requested financial cost merits consideration?
- Whether the Petitioner's proposed Investment plan for the FY 2015-16 is justified, keeping in view the prospective benefits?
- What is the financial impact / loss of revenue due to TOU metering for cellular company connections and other similar connections?
- Whether the existing service delivering structures of circles, divisions and sub-divisions etc. can provide satisfactory services for supply of electric power to the consumers with the substantial expansion in the system?
- Whether the existing financial, administrative and technical powers concentrated at different layers of hierarchy is required to be amended in order to provide better services on the doorstep of the consumer?
- Whether the concerns raised by the intervener / commentator are justified?
- What will be the mechanism of charging Wheeling/Use of System Charges (UOSC) in case of network of XW-DISCOs are used for Wheeling?





- Whether the tariff petition substantially complies with NEPRA determination of consumer-end tariff (Methodology & Process) guidelines 2015?
- What are the details of the requested UOSC by the Petitioner and whether the requests are justified?
- Whether the proposed revenue requirement and average sale rate for FY 2015-16, is justified?
- Any other issue that may come up during the hearing or afterwards.

7. **HEARING**

- 7.1 The Hearing was held as per the schedule i.e. 22nd March, 2016 at NEPRA Tower Islamabad. The Petitioner was represented by its Chief Executive Officer along with his financial and technical team, during the hearing.
- 7.2 Having gone through the record of the case, examination of evidence/documents so produced and arguments advanced by the parties, the issue wise findings of the Authority are discussed hereunder.

8. **Issue # 1: Whether the concerns raised by the Intervener / Commentator are justified?**

- 8.1 No Intervention Request has been received against the instant Petition, however, on the points raised by PTCL, the response of the Authority is given hereunder.
- 8.2 The Authority noted with the great concern regarding non-operation of one window complaint cells at subdivision level, as this is also requirement of the consumer service manual. The Authority in this regard directs the Petitioner to create complaint cell at the sub division level in order to address the concerns of the Petitioner and other consumers appropriately.
- 8.3 The Authority on the issue of excessive billing directed the Director (Consumer Affairs), NEPRA to conduct a meeting involving both the Commentator and the Petitioner in order to address these concerns.
- 8.4 Regarding the concern of commentator for installation of TOU meters at the PTCL exchanges, it is pertinent to mention that the XWDISCOs raised certain reservations on the installation of ToU meters for cellular companies and other similar connections, as they are bearing financial loss due to installation of TOU meters. The Authority keeping in view the sensitivity of the issue has decided to constitute an in house-committee having Technical and financial representation for the review/evaluation of the comments and arguments of the parties. The Authority in light of the findings of





the committee may change terms and conditions, if any along with the biannual PPP adjustments.

9. Issue # 2: Whether the Petitioner has complied with the directions of the Authority given in the Tariff Determination for FY 2014-15.

9.1 The Authority issued several directions in the tariff determination for the FY 2014-15. The compliance of which are discussed under relevant heads. However, few of the directions are discussed below;

9.2 To prepare a comprehensive implementation plan regarding the separation of feeders from PESCO not later than 30th June, 2015.

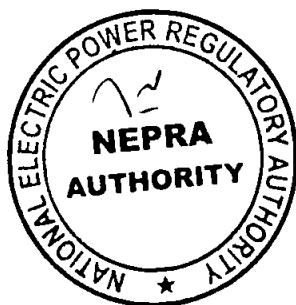
9.2.1 The Petitioner was directed in its tariff determination for the FY 2013-14 to prepare and submit a comprehensive plan with respect to separating its feeders from PESCO along with time lines by 30th June, 2014. The direction was aimed to highlight /ascertain the true cost of service of distribution network in the matter of the Petitioner.

9.2.2 The Petitioner vide its letter no 446/CEO/TESCO/Accts dated 24th June, 2014 submitted that PESCO's management has been contacted in this regard and that the process will be completed soon.

9.2.3 During the tariff determination process for the FY 2014-15, the Petitioner did not provide any update on the issue, therefore, the Authority in its tariff determination for the FY 2014-15 again directed the Petitioner to share its latest communication in this regard and prepare a comprehensive implementation plan regarding the separation of feeders not later than 30th June, 2015.

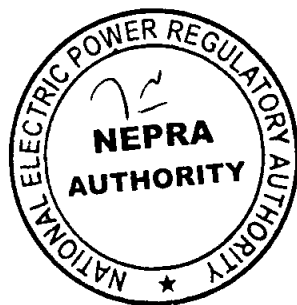
9.2.4 The Petitioner did not provide any update on the issue in its petition. However, during the hearing of the instant petition, the Petitioner submitted that the funds have been arranged for the separation of feeders from PESCO. Three feeders are already separated and the separation of the remaining six feeders are under process.

9.2.5 The Authority appreciates Petitioners efforts in this regard and directs it to complete the process by 30th June, 2016.





- 9.3 To provide the actual figure of both the installed and remaining TOU meters by 30th June, 2015 and submit a comprehensive plan for the installation of the same, after meeting with Political Administration, on priority basis also share an updated report on the issue, not later than 30th June, 2015.
- 9.3.1 The Authority being aware of the fact that most of the consumers in the Petitioner's distribution area are getting unmetered electricity based on estimated bills calculated on estimated loads and supply hours, directed the Petitioner to install TOU meters for the consumer categories having sanctioned load of 5 KW and above and further directed it to submit a comprehensive plan along with completion time lines for the installation/replacement of TOU meters pertaining to all the consumer categories having sanctioned load of 5KW and above not later than 30th June 2014.
- 9.3.2 The Petitioner vide its letter no 446/CEO/TESCO/Accts dated 24th June, 2014 submitted that TOU meters were being installed for agriculture, industrial and Govt. connections and for the remaining consumers categories, the same would be installed on the assurance of Political Administration that the meters would be secured. The Petitioner during the hearing of its tariff petition for the FY 2014-15, submitted that due to worst law and order situation it was not possible to install TOU meters on all connections and requested for an extension for the installation/replacement of TOU meters.
- 9.3.3 The Authority noted that the provided information was incomplete with respect to the number of TOU meters installed on Agriculture, industrial and Govt. connections and therefore again directed the Petitioner, in the tariff determination for the FY 2014-15, to provide the actual figure of both the installed and remaining TOU meters by 30th June, 2015 and also to submit a comprehensive plan for the installation of the same, after meeting with Political Administration, on priority basis and the updated report in this regard.
- 9.3.4 The Authority has observed with great concern that the Petitioner has not provided details with respect to the number of ToU meters installed/ to be installed and has also not provided any comprehensive plan for the installation of the same.
- 9.3.5 The Authority has taken a serious notice of non-compliance of its directions by the Petitioner which is serious violation of licensing terms that may lead to initiation of proceedings against the licensee under the relevant rules and therefore again directs the Petitioner to provide the actual figure of both the installed and remaining TOU meters and submit a comprehensive plan for the installation of the same not later than 30th June, 2016.





9.4 To submit the TORs for the study of its entire system including 11KV & below, to the Authority not later than 30th June, 2015.

9.4.1 The Authority's while assessing the T&D losses of the Petitioner during FY 2013-14, took cognizance of the fact that the Petitioner's major receivables, particularly pertaining to residential consumers, are being picked up by the GOP. Further, the consumers of certain areas, not freely accessible, were being billed on estimated basis as per the load factor and on the number of hours electricity was supplied by the respective grid. In view thereof, the Authority in its tariff determination for the FY 2013-14 directed the Petitioner to undertake study of losses of its entire system including 11KV & below and to submit the TORs of the study not later than 30th June, 2014.

9.4.2 The Petitioner vide its letter No. 446/CEO/TESCO/Accts dated 24th June, 2014, submitted that the study of its T&D losses is under process, however, no further details were provided in this regard afterwards or during the hearing for the tariff Petition pertaining to the FY 2014-15.

9.4.3 The Authority keeping in view the status of compliance, again directed the Petitioner in the tariff determination for the FY 2014-15, to submit the TORs for the study of its entire system including 11KV & below, to the Authority not later than 30th June, 2015.

9.4.4 The Petitioner vide its letter dated March 28, 2016 submitted that study has been conducted. No further details have been provided.

9.4.5 The matter has been further discussed under the relevant part.

9.5 To submit the relevant details of investment projects under the head of ELR, DOP or STG at this point of time not later than 30 June, 2015.

9.6 To submit the details of actual investment undertaken in FY 2014-15 with the corresponding benefits along with the next year's tariff petition.

9.6.1 The Petitioner for the FY 2014-15 requested an amount of Rs.613 Million, primarily to be financed through Capital Contribution/ Deposit Works, however no break-up of the requested amount in terms of DOP, ELR, STG or RE was provided by the Petitioner. In view thereof, the Authority directed the Petitioner to submit the relevant details of its investment projects under ELR, DOP or STG and also the details of actual investment undertaken in FY 2014-15 with the corresponding benefits along with the next year's tariff petition.

9.6.2 The Petitioner in its letter dated March 28, 2016 has submitted that no ELR /DOP fund is available in TESCO. No further details regarding actual investments were provided.





- 9.6.3 A review of the Financial Statements of the Petitioner for the FY 2014-15 reveals that a CAPEX of Rs.365 million has been incurred by the Petitioner during the year. Here it is pertinent to mention that the Petitioner during the hearing of the instant petition submitted some STG related projects for the FY 2015-16.
- 9.6.4 The Authority after careful review of the Petitioner's quality of compliance, is of the view that although as per the Petitioner, its investments are not bifurcated as ELR, STG and DOP yet some sort of investments were carried out as per its financial statements for the FY 2014-15. In view thereof, the Petitioner is again directed to submit the details of the actual investments carried out during the FY 2014-15 along with its corresponding benefits, not later than 30th June, 2016.
- 9.7 **The Authority directs the Petitioner to get the actuarial valuation of its post-retirement benefits and on parallel basis create a separate independent post retirement fund not later than 30th June, 2015.**
- 9.7.1 Considering the overall liquidity position in the power sector and in order to ensure that the Petitioner fulfils its legal liability with respect to the post-retirement benefits, the Authority had directed all the XWDISCOs to create a separate retirement benefit fund in this regard as allowed under the IAS-19.
- 9.7.2 The Authority while reviewing the financial statements of the Petitioner pertaining to the FY 2013-14, observed that the Petitioner did not create a separate liability in respect of retirement benefits and actuarial valuation for the same was not carried out. Consequently, the Petitioner was directed in the tariff determination for the FY 2013-14 to get the actuarial valuation of its post-retirement benefits. During the tariff determination process for the FY 2014-15, it was observed that the Petitioner did not comply with the direction of the Authority and was again directed to get the actuarial valuation of its post-retirement benefits and on parallel basis create a separate independent post retirement fund.
- 9.7.3 The Petitioner in its letter dated March 28, 2016 submitted that it would submit the progress in this regard shortly. Till today the Authority has not received any update in this regard.
- 9.7.4 The Authority in view of the non-compliance of its direction, again directs the Petitioner to get the actuarial valuation of its post-retirement benefits and create a separate independent post retirement fund not later than 30th June, 2016.
- 9.8 **To segregate the cost between travelling and vehicle maintenance cost**
- 9.8.1 While examining the audited accounts of the Petitioner for the FY 2012-13, the Authority observed that the actual cost was not segregated between travelling and



vehicle maintenance. In the financial statements for the FY 2013-14, the cost was again not bifurcated between travelling and vehicle maintenance. Accordingly, the Petitioner was directed once more, in the tariff determination for the FY 2014-15 to segregate the cost from the next year's financial statements.

9.8.2 The Petitioner although has submitted vide its letter dated March 28, 2016 that compliance has been made, however, no such segregation is available in the financial statement for the FY 2014-15.

9.8.3 The Authority has taken a serious notice of this incorrect statement made by the Petitioner that may lead to initiation of proceedings against the licensee under the relevant rules. The Petitioner in view thereof is again directed to ensure the compliance of the Authority's aforementioned direction in true letter and spirit.

9.9 To disclose the amount of LPC separately in the accounts.

9.9.1 The Authority while going through the Petitioner's submitted accounts for the FY 2013-14 could not find any specific constituent of LPC. The only note which appeared to be closer was the amount reflected under the head of "Other income under energy tariffs ". The amount appearing under the said head was also not bifurcated into LPC and meter rents etc. In view thereof, the Petitioner was directed to disclose the amount of LPC separately in its accounts in future.

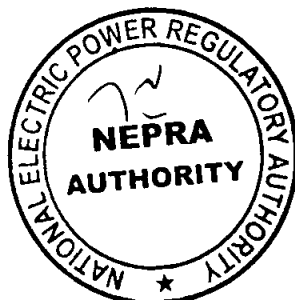
9.9.2 The Petitioner although has submitted vide its letter dated March 28, 2016, that compliance has been made, however, no such segregation is available in the financial statement for the FY 2014-15.

9.9.3 The Authority has taken a serious notice of this incorrect statement made by the Petitioner that may lead to initiation of proceedings against the licensee under the relevant rules. The Petitioner in view thereof is again directed to ensure the compliance of the Authority's aforementioned direction in true letter and spirit.

9.10 To come up with a workable plan, with the consent of PESCO on the issue of payables to PESCO appearing on the TESCO's balance sheet not later than 30th June, 2015.

9.10.1 The Authority during the tariff determination for the FY 2014-15 noted that an amount of Rs.28,122 million was appearing as payables to PESCO in the financial statements of the Petitioner. The Authority showing its concerns on the piling up of payables, directed the Petitioner to come up with a workable plan in this regard.

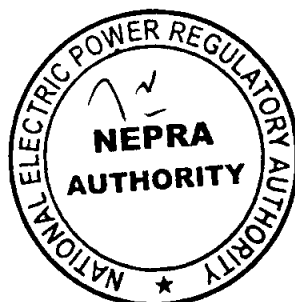
9.10.2 The Petitioner although in its letter dated March 28, 2016 has submitted that compliance has been made, however, no workable plan has been made available to the Authority.





- 9.10.3 It has been noted from the Financial Statement of the Petitioner that payables to PESCO have further increased to Rs.29,672 million as on June 30, 2015.
- 9.10.4 The Authority has shown serious concerns on the continuous increase in payables to PESCO despite the fact that wheeling charges are built in the tariff of the Petitioner to be recovered from the consumers. Therefore, the Petitioner is again directed to come up with a workable plan, with the consent of PESCO on the issue of payables to ensure disposing of its liability in this regard.
- 9.11 To come up with a concrete recovery plan including the option of outsourcing of feeders with accumulated receivables for recovery with an incentive and to share their progress in this regard not later than 30th June, 2015
- 9.12 To take up the matter for the recovery at the level of provincial and federal government for administrative, political and law enforcing agency's assistance. The relevant communications should also be shared with the Authority with a request for possible interventions / assistance.
- 9.12.1 The Authority while analyzing the Petitioner's Financial Statements for the FY 2013-14 during the tariff determination process for the FY 2014-15, observed that the receivables turnover ratio of the Petitioner was 49.46% or that 738 days of Sales were outstanding as receivables and the Gross receivables of the Petitioner as on June 30, 2014 were Rs.57,096 million.
- 9.12.2 In view thereof, the Petitioner was directed to come up with a concrete recovery plan including the option of outsourcing of feeders with accumulated receivables for recovery with an incentive and to share the progress in this regard. The Petitioner was further directed to take up the matter for the recoveries with the Provincial and Federal governments for administrative, political and law enforcing agencies assistance and to share the relevant communications with the Authority.
- 9.12.3 The Petitioner vide its letter dated March 28, 2016 has submitted that the matter was taken up with GoP, SRO NO.114 dated 16/01/2015 to pick-up FATA Receivables. However, no further update with respect to the response of GoP on the referred letter has been provided.
- 9.12.4 A review of the financial statements of the Petitioner for the FY 2014-15 reveals that its gross receivables have increased to Rs.58,629 million as mentioned hereunder;

Description	Balance as on June 30, 2014	Balance as on June 30, 2015
Receivables considered good	48,469.40	48,726.99
Receivables considered doubtful	8,627.02	9,901.65
Gross Receivables	57,096.43	58,628.64



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9.12.5 Keeping in view of the quality of compliance and the fact that receivables of the Petitioner have further increased, the Authority again directs the Petitioner to come up with a concrete recovery plan and also to take up the matter at the level of Provincial and Federal governments for administrative, political and law enforcing agencies assistance. The Petitioner is further directed to provide the latest status/ update in the matter of letter written to GoP for information/ consideration of the Authority.

9.13 To print the snap shots of the meter readings on the bills of the consumers.

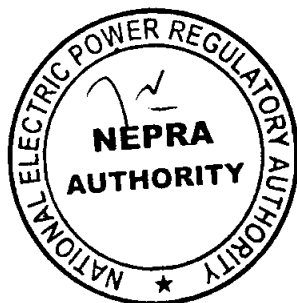
9.13.1 In order to protect the interest of consumers in the matter of excessive billing, the Authority while considering the proposals floated by different XWDISCOs, during the proceedings of the tariff determination for the FY 2014-15; agreed with the proposal submitted by PESCO regarding printing of snapshot of meter reading on the electricity bills of the consumers, not only to enhance the level of confidence of the consumers but also to create an effective quality check on the Meter Readers. Accordingly, the Petitioner was also directed to adopt the software and print bills with reading snapshot as directed vide letter dated 17th October, 2014. The same should have been implemented not later than 30th June, 2015 and sample bills should have also been shared with the Authority not later than 30th June, 2015.

9.13.2 The Petitioner neither in its Tariff Petition for the FY 2015-16, nor during the hearing of the instant petition provided any progress / update on the issue.

9.13.3 The Authority is cognizant of the fact that the Petitioner's major consumption remains unmetered yet it does have a certain portion of connections which are metered. The Petitioner can always start from those connections. Further on the unmetered connections the Authority considers that the Petitioner can start both activities simultaneously i.e. installing meters and then printing snap shots of the meter reading. In view thereof, the Petitioner is again directed to install meters on unmetered connections and at the same time start printing snap shots of the meter reading on the bills.

9.14 To submit its investment requirements for the implementation of Hand Handled Units (HHU) along with its completion timelines with its next tariff petition.

9.14.1 In view of the aforementioned direction regarding printing of snap shot of meter reading on the electricity bills, the Authority also considered the proposal of IESCO & MEPCO for allowing the cost of hand held meter reading units and principally decided to allow the cost of the hand held units to the Petitioner and directed it to submit its



investment requirements for the implementation of the said plan along with the completion timelines in its next tariff petition.

9.14.2 The Petitioner neither in its Tariff Petition for the FY 2015-16, nor during the hearing of the instant petition provided any progress / update on the issue.

9.14.3 The Authority has noted with great concern that the Petitioner has not taken the directions of the Authority seriously. The Authority is cognizant of the fact that the Petitioner has a large number of non-metered connections. In view thereof, the Authority directs the Petitioner to stagger its investment plan in stages. The same plan would be in line with its plan of installing meters on non-metered connections. Thus, the Petitioner is directed to submit its investment needs in this regard along with the installation of meters, not later than 30th June, 2016.

9.15 To install AMR and AMI at all of their CDPs by December 31, 2015.

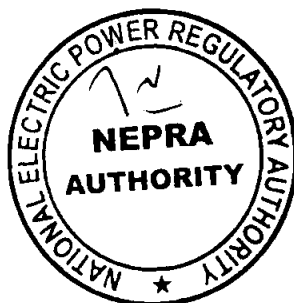
9.16 To install AMR and AMI on the receiving end of at least 30% of their 11 kV feeders (as existing on 30 June 2014) by 31st December 2015 and remaining 70% till June, 2016.

9.17 To initiate and install AMR/AMI at the consumer level in at least 10 of their high loss making subdivisions by 31st December, 2015 and remaining 70% by 30th June 2016.

9.17.1 The Authority considers that one of the key reasons for high transmission and distribution losses in DISCOs is the lack of any tracking mechanism for electricity flow from the points of their electricity purchases (CDP) down to the final consumers. A reliable metering and recording system at every voltage level starting with the 132 kV grid, at the 11 kV and to 440 and 220 volts is therefore critical for the elimination of theft, unaccounted electricity and diagnosing technical problems. In view thereof, the Authority directed all DISCOs to install AMR and AMI Systems. The Authority considered that such systems would also enable it in analyzing XWDISCOs' genuine investment requirements. Consequently, reduction in losses would help in saving billions of rupees annually and support GOP's efforts in eliminating circular debt. Thus, the Authority directed all DISCOs;

➤ To install AMR and AMI at all of their CDPs by December 31, 2015.

➤ To install AMR and AMI on the receiving end of at least 30% of their 11 kV feeders (as existing on 30 June 2014) by 31st December 2015 and remaining 70% till June, 2016.



- To initiate and install AMR/AMI at the consumer level in at least 10 of their high loss making subdivisions by 31st December, 2015 and remaining 70% by 30th June 2016.

9.17.2 The Petitioner its letter dated March 28, 2016 has submitted that work for installation of AMR and AMI at CDPs is under progress. Regarding installation of AMR and AMI on the receiving end of at least 30% of their 11 kV feeders by 31st December 2015 and remaining 70% till June, 2016, the Petitioner has submitted that the target will be achieved by June-2016. On the point of installation of AMR/AMI at the consumer level in at least 10 of their high loss making subdivisions by 31st December, 2015 and remaining 70% by 30th June 2016, the Petitioner has stated that above 50% AMR have been installed at 11K V feeders.

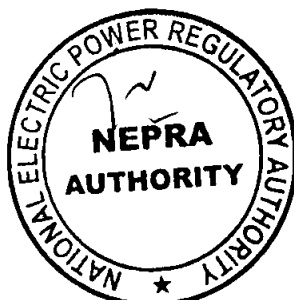
9.17.3 The Authority considering the aforementioned response of the Petitioner, feels that the Petitioner's progress in this regard is not up-to the mark and it needs to put in serious efforts to complete the installation of AMRs/ AMIs System within the given time lines.

9.18 To share the details of late payment charges recovered from consumers and any invoice raised by CPPA under the head of mark up on delayed payments for the FY 2014-15. The information must be submitted before the next tariff petition is filed.

9.18.1 As per the clause 9.3(d) of the Electricity supply agreement dated 29th June, 1998 between DISCOs & NTDC, the XWDISCOs are obliged to pay CPPA (G) late payment charge on delay payments of invoice. The clause 9.3 (d) of the agreement deals with Late Payment charge as below:

"Late Payments by WAPDA or the Company, as the case may be, shall bear mark-up at a rate per annum equal to the Base Rate plus four percent (4%) per annum compounded semi-annually, and shall be computed for the actual number of Days on the basis of three hundred sixty-five (365) Day Year."

9.18.2 In view thereof, the Authority in the tariff determination for FY 2014-15, decided that the late payment charge recovered from the consumers on utility bills shall be offset against the late payment invoices raised by CPPA (G) against respective DISCO only i.e. CPPA (G) cannot book late charge over and above what is calculated as per the relevant clause of the agreement to a respective DISCO only. The Petitioner was, therefore, directed to share the details of late payment charges recovered from consumers and any invoice raised by CPPA (G) under the head of mark up on delayed payments for the FY 2014-15. The Petitioner was directed to submit the requisite information before filing of the next tariff petition. Any remaining LPC, (i.e. after the





offset) shall be adjusted from the revenue requirement of FY 2015-16 and in the event of non-submission of evidence of payment to CPPA (G), the entire amount of LPC recovered from consumers shall be made part of other income *(and deducted from revenue requirement)* in the FY 2015-16.

9.18.3 The Petitioner has submitted that CPPA (G) has not released any invoice in this regard.

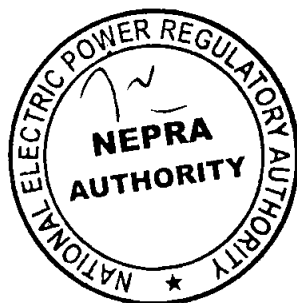
9.18.4 The issue has been discussed under the relevant head.

9.19 **The Petitioner is directed to give comments on the proposal of lifeline consumers before the next year's tariff petition and also to share the financial impact of revision of criteria of lifeline consumers on its revenue.**

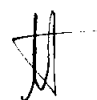
9.19.1 The matter of changing terms and conditions of lifeline and residential consumers was raised by Islamabad Electric Supply Company (IESCO) in the tariff petition for the FY 2012-13 and the Authority took comments of all XWDISCOs on the matter during the tariff determination process for the FY 2013-14. Accordingly, the following modifications to the terms and conditions of lifeline and residential consumers were proposed;

- The criteria for Lifeline consumers is modified and only those residential consumers having single phase electric connection with a limited sanctioned load upto 1 kW and consumption of less than 50 units will qualify to be the life line consumers.
- A floating average of six months consumption of lifeline consumers should not exceed 50 units.
- In case of detection billing under the category of lifeline consumers, 1 year average floating billing must be less than 50 units.
- All government offices, educational institutes and mosques should be removed from the category of residential consumers.

9.19.2 However, the Authority also felt that before modifying the Terms & Conditions further analysis as to how much consumers will be reduced on monthly basis along with its financial implication needs to be obtained. Accordingly the Authority directed the Petitioner to give comments on the proposal of lifeline consumers before the next year's tariff petition and also to share the financial impact of revision of criteria of lifeline consumers on its revenue.



- 9.19.3 The Petitioner has not provided any comments on the issue neither during the hearing nor through a separate letter.
- 9.19.4 The Authority therefore after careful consideration of the issue has decided to modify the Terms & Conditions to the extent of the following;
- The criteria for Lifeline consumers is modified to only those residential consumers having single phase electric connection with a sanctioned load up to 1 kW.
 - At any point of time, if the floating average of last six months consumption exceed 50 units, then the said consumer would not be classified as life line for billing month even if its consumption is less than 50 units. For the purpose of calculating floating average, the consumption charged as detection billing would also be included.
- 9.19.5 Regarding whether all government offices, educational institutes and mosques should be removed from the category of residential consumers, the Authority has decided to create a New General Services Category by changing terms & conditions of the residential consumers and has decided to restrict residential category as Residences and Places of worship, excluding thereby all government and other offices, educational institution. Thus, the consumer category A3 General services shall include;
- Approved charitable/religious institutions
 - Government and semi – Government Offices and institutions
 - Government Hospitals and dispensaries
 - Educational Institutions
 - Water supply schemes including water pumps and tube wells operating on three phase 400 volts other than those meant for the irrigation or reclamation of Agricultural land.
10. Issue # 3: Whether the Petitioner's projected energy purchases and sales for the FY 2015-16 is reasonable?
- 10.1 The Petitioner in its petition has projected unit sales of 1,140.417 Gwh for the FY 2015-16 and annual demand growth has been set at 3.54%. Accordingly the Petitioner has worked back its purchased as per the proposed level of T&D losses for the FY 2015-16.
- 10.2 Following data regarding units received and sold for the FY 2014-15 and projected for the FY 2015-16 has been submitted by the Petitioner;





	Actual FY 2014-15	Projected FY 2015-16
Units Received	1,397	1,425
Units Sold	1,101	1,140

10.3 The Authority's determined, Consumer-end-Tariff (Methodology & Process) Guidelines, 2015, (herein referred to as "The Methodology") prescribes the submission of generation plan by NTDC and procurement plan by CPPA (G) and its approval by the Authority prior to the filing of the tariff petition by the XWDISCOs. Since both NTDC and CPPA (G) did not submit the generation and the procurement plans, the Authority in order to avoid any delays in the determination of XWDISCOs tariff petitions for the FY 2015-16 and onward, considered the power purchases and their corresponding cost as projected by XWDISCOs, along with the instant tariff petitions.

10.4 Although, there is an inbuilt mechanism for adjusting actual variation in sales against the estimated sales, yet in order to avoid unnecessary fluctuations in the consumer-end tariff it is appropriate to make realistic assessment of the purchases and sales. Moreover, it is also important to have a realistic assessment of the monthly references of fuel cost for making monthly fuel cost adjustment pursuant to Section 31(4) of Regulation of Generation, Transmission and Distribution Act (XL 1997). In view thereof, the Authority has carried out a detailed exercise for estimating station wise generation pertaining to the FY 2015-16. An increase of around 2.05% has been assumed over the actual generation pertaining to the FY 2014-15, as generation growth. Here it is pertinent to mention that the actual generation for the FY 2014-15 was 1.94% more than the actual generation for the FY 2013-14. After incorporating all the expected upcoming additional generation, it is estimated that in the FY 2015-16 the overall system generation will be about 98,989 GWh. After adjusting for the NTDC's permissible transmission losses of 3.0%, about 96,019 GWh are expected to be delivered to the distribution companies; the estimated share for the Petitioner from the pool for the FY 2015-16, is accordingly assessed as 1,434 GWh for the FY 2015-16, as against 1,425 GWh projected by it. After incorporating the T&D losses target for the FY 2015-16 (discussed below) the sales target in the instant case for the same period works out as 1,147 GWhs.

11. **Issue # 4: Whether the projected power purchase cost for the FY 2015-16 is justified?**

11.1 The Petitioner has projected its PPP based on actual PPP for FY-2014-15. The PPP (unadjusted) has been taken as Rs.9.802/ kWh for the year 2015-16. The Petitioner has



projected a total PPP of Rs.13,968 million for the FY 2015-16. No further details were submitted by the Petitioner to substantiate its claim in this regard.

11.2 In order to make fair assessment of the PPP, an in-house evaluation was done. As per the existing mechanism all the power generated from different sources is procured by the Central Power Purchasing Agency (CPPA-G) on behalf of DISCOs at the rates as per the Power Purchase Agreements (PPAs) in accordance with the Authority's determination. The overall power purchase cost constitutes a pool price which is transferred to the DISCOs according to a mechanism prescribed by the Authority and notified by the Federal Government in the Official Gazette. The Power Purchase Price has been projected, which in turn formulates the reference values for the monthly fuel adjustments & biannual PPP adjustment with respect to T&D losses, Capacity and Transmission Charges. Here it is pertinent to mention that while making biannual adjustments of the PPP, the Authority may rationalize the SoT accordingly.

11.3 From all the available sources i.e. Hydel, Thermal-Gas, RFO, Nuclear, Coal, Solar, Wind, Bagasse and Imports, a total gross of 98,989 GWh power is expected to be generated during the FY 2015-16. The estimated/projected source-wise generation and cost of electricity is given in the following table:

Fuel Type	Gen.	Share	Cost	Share	Rate
	MkWh	%	Mln. Rs.	%	Rs./kWh
Hydel	32,563	32.90%	3,124	0.56%	0.10
Coal	102	0%	382	0%	3.74
HSD	1,702	2%	22,168	4%	13.02
F.O.	30,881	31.2%	332,651	59%	10.77
Gas	26,218	26%	177,129	32%	6.76
Nuclear	4,995	5%	6,609	1%	1.32
Mixed	1,015	1%	10,332	2%	10.18
Import from Iran	443	0%	4,669	1%	10.55
Wind Power	724	1%	975	0%	1.35
Bagasse	319	0%	1,977	0%	6.20
Solar	26	0%	64	0%	2.47
Total	98,989	100%	560,080	100%	5.66
Energy Charges [Net of NTDC Losses]	96,019		560,080		5.83
Cap. Charge [Rs. /kWh]			239,695		2.50
UOSC [Rs. /kWh]			30,520		0.32
Total Cost [Rs. /kWh]	96,019		830,295		8.65

11.4 Here it is pertinent to mention that the aforementioned energy charge includes variable O&M charges. But as per the tariff methodology, variable O&M charges would not be made part of monthly fuel adjustment and would be adjusted as part of




biannually adjustments. From the above table it is clear that 31% of total generation is expected on Residual Fuel oil (RFO) but its share in overall energy cost is expected to be around 59%, which means that variation in generation mix and oil prices will have great impact on the cost of generation and will ultimately affect the consumer-end tariff. The RFO prices over the last year have shown a decreasing trend, whereby the actual average RFO prices during the FY 2014-15 remained at around Rs. 56,121 [excluding Sales Tax and including freight] per metric ton and touched a low of Rs. 40,411 per metric ton as against the last year's average projected price of Rs. 65,769 [excluding Sales Tax and including freight] per metric ton. The RFO prices in Pakistan are not only affected by the international market but also by the exchange rate parity. Based on the international market condition, it can be presumed that this lower trend shall continue in the future as well, consequently, for the FY 2015-16, RFO prices have been assumed on an average of Rs. 47,981 per metric ton [excluding Sales Tax and including freight] after incorporating the possible determinants of RFO prices. The HSD prices for the FY 2015-16, are being assumed on an average of Rs. 61.29 per litre [excluding Sales Tax], keeping in view the declining trend of HSD price in FY 2014-15, which remained on average Rs. 76.89 per litre during the FY 2014-15, against the projection of Rs. 93.45/ litre. Keeping in view the recent developments regarding the import of RLNG and the notification by OGRA regarding provisional price of RLNG, it is quite obvious that gas based power plants will also be run on RLNG especially in the months where there is gas shortage as has been the case in the past. Accordingly, impact of RLNG has also been considered while projecting the gas prices for the FY 2015-16, which has been assumed at Rs.900/ MMBTU.

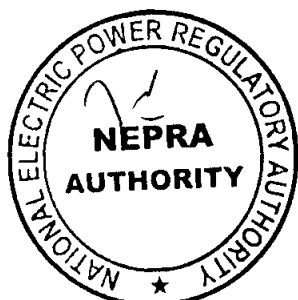
- 11.5 The generation cost is transferred to the DISCOs according to the Transfer Price Mechanism (TPM) as prescribed by the Authority.
- 11.6 Energy transfer charge shall be calculated on the basis of units delivered after adjusting target transmission losses as per the latest notified tariff determination in the matter of NTDC. NTDC shall, for the purpose of clarity intimate to all DISCOs the generation part of the Transfer Charge during a billing period by deducting from the Transfer Charge the Transmission Charge or Use of System Charges.
- 11.7 According to the above mechanism Rs.4,299 million and Rs.547 million is the share of the Petitioner on account of CpGenCap and USCF respectively for the FY 2015-16. The overall fixed charges comprising of CpGenCap and USCF in the instant case works out as Rs.4,845 million, which translate into Rs.1,223 /kW/month or Rs.3.38/kWh.
- 11.8 The annual PPP for the FY 2015-16 in the instant case works out as Rs.13,320 million. With the projected purchase of 1,434 GWh for the same period the average PPP turns out to be as Rs.9.29/ kWh (Annex – IV). On the basis of 20.00% T&D losses, the PPP per kWh is assessed as Rs.11.61/kWh.



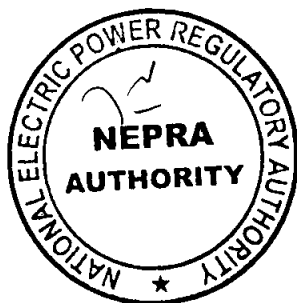


- 11.9 As far as the assessment for the FY 2016-17 and onwards is concerned, as per the Methodology, the NTDC would submit data for its generation plan before or on 1st September, each year. The Authority after due diligence will consider revising the current projection of PPP. Accordingly, the impact of revised prices on the SOT, would be done by the Authority. Here it is pertinent to mention that the references of power purchases would continue to exist irrespective of the financial year unless the revised references are notified by the GoP.
12. **Issue # 5: Whether the T & D losses for the FY 2015-16 requested by the Petitioner is reasonable?**
- 12.1 The Petitioner has requested T&D losses level of 20% for the financial year 2015-16, based on the actual T & D losses for the year 2014-15. The Petitioner has further submitted that CPPA / NTDC has started measuring the energy sold to TESCO on 132KVA point instead of 11KVA points after completion of metering facilities.
- 12.2 The Petitioner while justifying the requested losses has stated that it is operating in the distribution area where it is confronted with serious law and order situation. An area where Pakistan Army is still trying to restore the writ of the Government. The Petitioner highlighted the following issues faced by it,
- Lengthy Transmission Lines.
 - Undersize Conductor of the Transmission Lines.
 - Over loaded grid system.
 - Partially damaged distribution transformers.
 - Locally repaired distribution transformers.
 - Very high percentage of Technical losses because of lengthy and out dated distribution and Grid System.
- 12.3 The Authority has observed that the Petitioner's actual T&D losses for the FY 2014-15 remained at 21.14% which are 1.17% lower than the Authority's assessment of 22.31% for the same period. The Petitioner's requested level of T&D losses for the FY 2015-16, shows a further decrease of 1.14% from the last year's actual of 21.14% as shown in the table below;

T&D Losses	%	Decrease
Allowed for FY 2014-15	22.31	
Actual for FY 2014-15	21.14	1.17%
Requested for FY 2015-16	20.00	1.14%

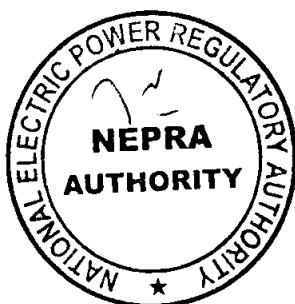


- 12.4 The Authority while assessing the aforementioned level of T&D losses, took cognizance of the fact that the Petitioner's major receivables pertaining to residential consumers, are being picked up by the GOP. In addition, the fact that the maximum areas under its jurisdiction are no go areas, which are not freely accessible and it is only with the support of army & local tribal heads such areas are accessed. Consequently, the consumers of these areas are billed as per the load factor and based on the hours that electricity is supplied by the respective grid. In view of aforementioned factors, the Authority had directed the Petitioner in its tariff determination for the FY 2013-14 to conduct an independent study of its T&D losses. The Petitioner was again directed in the tariff determination for the FY 2014-15, to submit the TORs for the study of its entire system including 11KV & below, to the Authority not later than 30th June, 2015.
- 12.5 The Petitioner its letter dated March 28, 2016 submitted that study has been conducted. No further details have been provided.
- 12.6 The Authority fails to understand that how the Petitioner has started the study of its system whereby it was directed to get the approval of the ToRs of the study from the Authority. Further, the Petitioner has not shared any details with respect to on what lines and parameters it is carrying out its study. In view of aforementioned, the Petitioner is directed to share the TORs and technical details of the study already undertaken and update the Authority on the latest stage of the said study. The Petitioner is also directed to mention completion dates of the study along with the aforementioned not later than 30th June, 2016.
- 12.7 Keeping in view the prevailing law & order situation in the distribution area of the Petitioner the Authority has decided to accept the request of the Petitioner of 20% for the FY 2015-16 as such, which includes 13.50% as technical losses and 6.50% on account of margin for the law and order situation.
13. Issue # 6: Whether the projected Return on Regulatory Asset base (RORB) for the FY 2015-16 is justified?
14. Issue # 7: Whether the requested rate of return (ROR) is justified?
- 14.1 The Petitioner has projected RORB of Rs. 397 million (against last year assessed Rs. 374 million) based on rate of return of 11.25% for the FY 2015-16 (against last year assessed 14.05%). The Petitioner has provided the following table in this regard;



Description	Rupees in Million
	FY 2015-16 Projected
Gross Fixed Assets In Operation-Opening Balance	5,998
Addition in Fixed Assets	640
Gross Fixed Assets In Operation-Closing Balance	6,638
Less Accumulated Depreciation	2,619
Net Fixed Assets in Operation	4,019
Add: Capital Work in Progress-Closing Balance	2,728
Investment in Fixed Assets	6,747
Less Deferred Credits	2,810
Regulatory Assets Base	3,938
Average Regulatory Assets Base	3,531
Rate of Return	11.25%
Return on Rate Base	397

- 14.2 The Authority uses the Capital Asset Pricing Model (CAPM) for calculation of Return of Equity (RoE) component of the WACC, being the most widely accepted model, which is applied by regulatory agencies all over the world to estimate the cost of capital for regulated utilities. Since the Authority uses Plain Vanilla WACC, hence the impact of tax shield is taken as zero, and in case any tax is paid it is treated as pass through. As per the methodology, in case of negative equity the Authority would consider a minimum of 20% equity and any equity in excess of 30% would be considered as debt. The reason was the GOPs on going privatization program, as it is anticipated that in addition to private equity, GOP would also bring in some additional equity (e.g. may convert loans into equity etc.). Hence, the Authority, in accordance with the approved methodology has decided to change the Petitioner's current optimum capital structure of 80:20 (debt : equity) ratio to 70: 30 (debt : equity) ratio.
- 14.3 For the assessment of RoE component, weighted average yield on 05 Years Pakistan Investment Bond (PIB) as of July 16, 2015 has been considered as risk free rate which is 8.9652%.
- 14.4 The Authority understands that the expected return on any investment is the sum of the risk-free rate and an extra return to compensate for the risk. This extra return or 'risk premium' is the difference between market rate of return and risk free rate.

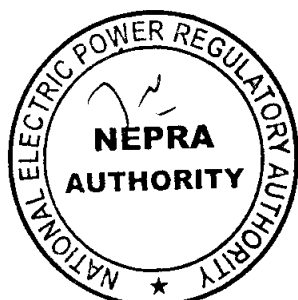



Generally, the return on stock market index is taken as a measure of market rate of return. The Authority in order to have an appropriate measure of the market rate of return, analyzed KSE-100 Index return over a period of 8 years and also considered Analysts' consensus/ research houses estimates in this regard. The rate of return on KSE-100 index during the period from 2008-2015 was around 16.5%, which translates into risk premium of around 7.53% (with risk free rate of 8.9652%). The risk premium used by different leading brokerage houses of the country ranges between 6 % – 7 %.

- 14.5 Thus, keeping in view the aforementioned, the Authority considers Market Risk Premium of 7% as reasonable for calculation of cost of equity component.
- 14.6 The Authority, in order to have an appropriate measure of the Beta, carried out an in-house own study and detailed analysis, whereby not only the local but International Markets were also explored. The Authority also considered a recent study undertaken by Castalia for the ERC in the Philippines using 111 firms selected from the Damodaran (a professor in Stern Business School at New York University) data set. The average Beta from this sample was 0.997 for the transmission and distribution companies and 1.073 for the whole sample. The average gearing of the sample is 67%. If the same is worked out on 70/30 gearing, the beta of 0.997 works out as 1.10. A few examples of Beta used by different Regulators in the world are given as hereunder;

<i>Regulator</i>	<i>Beta</i>	<i>Gearing</i>
<i>Ofgem</i>	0.9-0.95	65/35
<i>AER</i>	0.7	60/40
<i>NZ Com</i>	0.61	60/40
<i>Northern Ireland</i>	0.74	60/40

- 14.7 A beta of 0.75 at a gearing of 60/40 – which is around the mid-point of the above estimates – equates to a beta of 1.0 at a gearing of 70/30. A beta of 0.8 at 60/40 equates to a beta of 1.07 at 70/30. A beta of 0.95 at a gearing of 65/35 works out as 1.11 at 70/30 gearing.
- 14.8 Thus, keeping in view the finding of the study undertaken by Castalia for the ERC in the Philippines using 111 firms, range of betas used by international Regulators and findings of the Authority's in house study, it has decided to assess the beta in the instant case as 1.10.
- 14.9 As regard the cost of debt, the Authority understands that it is the interest rate on which a company would get borrowing from the debt market / commercial banks i.e. a rate at which banks lend to their customers. The Authority during its determination in the matter of XWDISCOs pertaining to the FY 2014-15, decided to use the actual rate of debt appearing in the balance sheets of the DISCOs (excluding the loans which were



disallowed by the Authority) considering the fact that the payment of these loans were due in the FY 2014-15 and onwards. All of these loans were relent loans whose interest ranged between 15%-18%. When this decision was made, the Privatization scenario was not active and the decision was primarily based keeping in view continuous and ongoing public sector ownership of the XWDISCOs. Considering the future privatization policy of GoP, a forward looking approach has been used for the estimating cost of debt of these loans for WACC calculation. Here it is pertinent to mention that historically when State Owned Enterprises were privatized e.g. K-Electric, the relent loans on the balance sheet of K-Electric were converted into equity by the GoP. Further, the Authority was also anticipating some additional equity from the GOP in some form, that's the reason why the Authority raised the optimum capital structure from 80:20 to 70:30.

- 14.10 The Authority, in order to do a fair evaluation of the cost of debt, considered recent TFCs / Sukkuk launched by K-Electric Limited with a 5 year's term maturity, whereby Rs.1,500 million were raised by K-Electric on a rate of 3 month KIBOR + 2.75% during FY 2013-14. Here it pertinent to mention that the K-Electric also raised Rs.22 billion on 7 years TFC on a rate of 3 Months KIBOR plus 1% during 2014-15.
- 14.11 In view of the aforementioned, the Authority has decided to take cost of debt as 3 month's KIBOR + 2.75% spread. Consequently, the cost of debt has been worked out as 9.76% i.e. 3 Months KIBOR of 7.01% as of 2nd July 2015 plus 2.75% spread.
- 14.12 Consequent to the aforementioned discussion, the Authority has re-worked the WACC as below;

$$\begin{aligned}k_e &= RF + (RM - RF) \times \beta \\&= 8.9652\% + (7\% \times 1.1) \\&= 16.67\%\end{aligned}$$

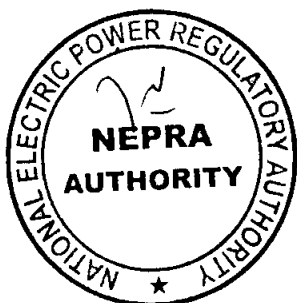
The cost of debt is taken as ; $K_d = 9.76\%$

$$WACC = [K_e \times (E / V)] + [K_d \times (D / V)]$$

Where E/V and D/V are equity and debt ratios respectively taken as 30% and 70%;

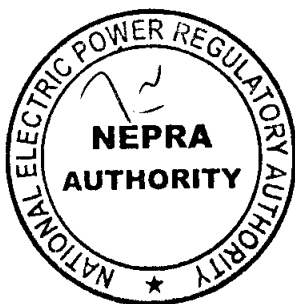
$$WACC = \{16.67\% \times 30\%\} + \{9.76\% \times 70\%\} = 11.83\%$$

- 14.13 The Authority understands that the WACC of 11.25% as proposed by the Petitioner is without any basis and no working in support thereof has been provided by the Petitioner. Therefore, the WACC of 11.83% as worked out by the Authority is hereby allowed to the Petitioner. Thus, using rate of return of 11.83%, the Authority has assessed Rs.214 million as return on rate base as per the following calculations:



Description	Rupees in Million	
	FY 2014-15 Actual	FY 2015-16 Projected
Opening fixed assets in operation	5,388	5,999
Assets Additions during the year	610	757
Closing Fixed Assets in Operation	5,999	6,756
Less: Accumulated Depreciation	2,419	2,658
Net Fixed Assets in operation	3,579	4,098
+ Capital Work in Progress (Closing)	5,936	7,365
Total Fixed Assets	9,515	11,462
Less: Deferred Credit	6,986	9,135
Total	2,529	2,327
Average Regulatory Assets Base		2,428
Return on Rate Base @ 11.83%		287

- 14.14 The Authority while going through the Financial Statements of the Petitioner for the FY 2014-15 noted that the Petitioner has insufficient cash balance as on 30th June 2015 against its pending liability of receipt against deposit works and consumer security deposits. The insufficient cash balance indicates that the amount received against the aforementioned heads has been utilized somewhere else and the Petitioner failed to provide details in this regard. The Authority considers that the amount collected as security deposit cannot be utilized for any other reason and any profit earned thereon has to be distributed to the consumers. Similarly, the amount collected under the head of receipt against deposit works has to be spent for the purpose for which it has been collected. The utilization of the money collected against deposit works and security deposits other than the works for which it has been received is illegal and unlawful. The Petitioner has to provide rational / justification for improper utilization of the money because the consumers have to suffer unnecessary delay on this account.
- 14.15 In view of the aforementioned reasons the Authority considered that it will be unfair and unjust for the consumers to suffer due to the unlawful act of the Petitioner. Accordingly, the Authority has decided, to include the entire amount of receipts against deposit works as a part of Deferred Credits for the assessment of RAB for FY 2015-16. The Authority directs the Petitioner to ensure that in future consumer's deposits are not utilized for any other purpose. The Petitioner is also being directed to restrain from unlawful utilization of receipts against deposit works and security deposits, failing which, the proceedings under the relevant law shall be initiated against the Petitioner. The Petitioner is also directed to give clear disclosures in its Financial Statements with respect to the consumer financed spares and stores, work in progress and cash & bank balance.






15. Issue # 8: Whether the Petitioner's proposed Investment Plan for the FY 2015-16, is justified, keeping in view the prospective benefits?

15.1 The Petitioner in its petition has requested an investment of Rs.1,013 million for the FY 2015-16 as detailed hereunder;

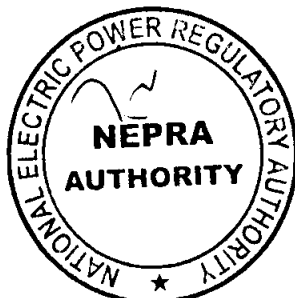
GROSS	2015-16 (Projected) (Rs. in Mln)
Capital Contribution	373
Deposit Work	640
RE	-
Installation of TOU / AMR Meters	-
STG	-
Total investment	1,013

15.2 The Petitioner, however, during hearing of its instant petition, revised the requested amount to Rs. 2,186 million for the FY 2015-16. The Petitioner presented the following investment requirement during the hearing;

Name of Work	Amount (Rs. in Mln)
Construction of 132 KV Jamrud Grid Station Khyber Agency	786.00
Up-gradation of 66 kV Grid Station Bajour	891.00
Additional Power T/Fs of 20/26 MVA at 132 kV Tangi & Warsak Grid Stations	220.00
Additional Power T/F of 10/13 MVA at 66 kV Jandola Grid Station	70.00
Construction & bifurcation of 11 kV feeders in FATA	219.00
Total	2,186.00

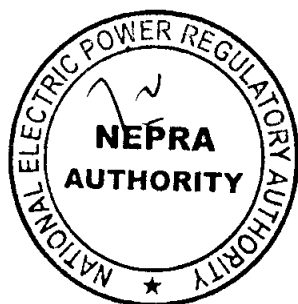
15.3 The Authority in view of the change in the proposed amount of investment during the hearing by the Petitioner, has decided to consider the amount requested during the hearing for the assessment of the Petitioner's investment requirement pertaining to the FY 2015-16.

15.4 Keeping in view the importance of the investment projects proposed by the Petitioner and the system constraint faced by it and the fact that the proposed investments would



be arranged through grant from USAID or the Federal Government, the Authority has decided to allow the Petitioner the requested amount as such. Here it is pertinent to mention that the existing mechanism of determining RORB is self-adjusting with respect to the benefits of investments, thus any investments beyond Authority's assessment, carried out by the Petitioner during the FY 2015-16 (which is desirable), would be catered for in next year's returns.

- 15.5 The Authority understands that village electrification although is carried out through consumer contribution / deposit works, however, the impact of any imprudent village electrification results in overloading and increased T&D losses which is not desirable. The Authority further considers that imprudent village electrification, may dilute the impact of all the investments being made by the Petitioner.
- 15.6 The Authority also observed that in past, village electrification was restricted to poles, lines and distribution transformers and its impact on the existing grid or strengthening of the grid due to the additional load in the form of village electrification was totally ignored.
- 15.7 In view thereof, the Authority feels that the Petitioner needs to spend at least 20% of the village electrification funds for improvement / up-gradation of the grid without which it should not undertake any village electrification resulting in overloading of its system. The village electrification would only be undertaken without augmentation of the grid, if it already has spare MVAs.
16. Issue # 9: Whether the Petitioner request for provision of bad debt, merits consideration?
- 16.1 The Petitioner in its instant tariff petition has requested that a provision of bad debt amounting to Rs.1,260 million be added to its revenue requirement, worked out on the basis of ageing formula. The Petitioner further stated that the amount has been projected based on 2% of the projected sales to the consumers and 05% recovery. The Petitioner also submitted that it is pursuing the recovery of arrears from its consumers but due to the worst law and order situation in Tribal FATA Area and non-payment culture particularly the attitude of consumers residing in FATA Area and Administrative & Political obligations do not allow it to take severe action against the defaulters. Moreover disconnection creates law and order situation in terms of road blockade, blast of transmission towers and attacks on TESCO staff, Grid Stations and offices. The Petitioner also mentioned that Provision for Bad debts during 2014-15 was Rs. 1,275 million; therefore, provision of Rs.1,260 million for FY 2015-16 is requested.
- 16.2 The Authority has considered the Petitioner's request and is of the opinion that a clear verdict on this issue has already been given wherein it has principally been decided that the cost only to the extent of actual write off will be considered. The decision was



based considering the documents required for new connection/extension and reduction of load or change of name in terms of Chapter 2.3 (b) & (h) of the Consumer Service Manual, the risk of credit sales transfers to the third party, i.e., Owner of the premises or purchaser of the property. Currently DISCOs are functioning in a monopolized environment and in case of default the connection of the premises, if disconnected, cannot be restored till the outstanding dues are paid and as per the referred Chapter of Consumer Service Manual, the risk transfers to the occupant of the premises. The Authority understands that Electricity in today's life is a basic necessity and the consumers cannot afford to live without it. In addition to this, at the time of connection, DISCOs also collect one month's billing from the consumers in the shape of security deposits, which also serves as deterrence for a consumer to default.

16.3 In view of the aforementioned, the Authority has decided to continue with the practice of allowing actual write offs of debtors rather than allowing provision for doubtful debts. Since no actual write off for the FY 2014-15 appears in the financial statements provided by the petitioner therefore no amount has been allowed on this account.

17. Issue # 10: Whether the Petitioner requested Financial Cost, merits consideration?

17.1 The Petitioner has requested an amount of Rs. 42.99 million as financial charge for the FY 2015-16; adding it to its total revenue requirement, however the Petitioner did not provide any detail or justification to the nature of these requested financial charges. Subsequently during hearing of the instant petition, the Petitioner submitted the following schedule of Financial Charges;

Financial charges	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Relent Foreign Loan	11.60	13.28	8.92	6	4	6	6
Government Loan	38.62	37.63	35.54	34	34	37	37
Total	50.22	50.92	44.46	40	38	43	43

17.2 The Authority observed that Rate of Return (WACC) is allowed to the Petitioner on its Regulatory Asset Base, which caters for the financial cost incurred by the Petitioner on loans taken for the purpose of investments. Further the Principal portion of such loans is recovered through depreciation. Thus the request of the Petitioner for allowing financial charges separately does not merit consideration.



18. **Issue # 11: Whether the prior year adjustment calculated by the Petitioner related to FY 2014-15 is accurate?**

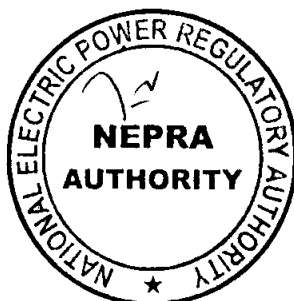
18.1 The Petitioner neither in its petition nor during the hearing has requested any amount under the head of Prior Period Adjustment. In view thereof, the Authority after doing its own due diligence has worked out the following PYA of the Petitioner for the FY 2015-16;

		Mln. Rs.
	Notified reference PPP during the FY 2014-15	22,131
	Assessed Distribution Margin for the FY 2014-15	3,330
	Assessed PYA for the FY 2014-15	-
Add ;	1st Qrt's PPP adjustment pertaining to the FY 2014-15	(1,167)
Add;	2nd Qrt's PPP adjustment pertaining to the FY 2014-15	(1,671)
Add;	3rd Qrt 's PPP adjustment pertaining to the FY 2014-15	(2,267)
Add;	4th Qrt's PPP adjustment pertaining to the FY 2014-15	(910)
Less ;	Regulated PPP recovery on notified rates during the FY 2014-15	15,679
Less;	Regulated DM recovery on notified rates during FY 2014-15	1,304
Less;	Regulated PYA recovery on notified rates during FY 2014-15	332
Less;	Net impact of assessed & actual Other Income for the FY 2014-15	986
Add;	Impact of Consumer – Mix Variance for the FY 2014-145	(202)
Add;	Impact of Previous Adjustment	-
	Total Unrecovered/ (Over recovered) Costs for the FY 2014-15	943

18.2 Here it is pertinent to mention, as per the previous practice, the impact of any decrease in (negative) monthly FCA, was not passed on to the Life line and Agriculture Consumers of XWDISCOs. The same relief was adjusted by the Authority in the annual tariff determinations of XWDISCOs, through the Prior Year Adjustment mechanism, whereby the impact of such amount is adjusted in the tariff design across all the consumer categories.

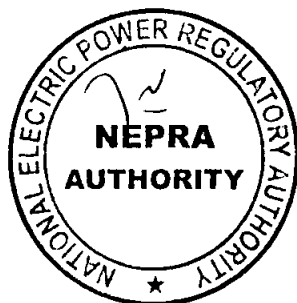
18.3 MoWP vide its letter No.5-PF/02/2013-Subsidy dated May 21, 2015 issued the policy guidelines under Section 31 (4) of the NEPRA Act, 1997 with regard to the Fuel Charge Adjustments and subsidy rationalization of Ex-WAPDA Distribution Companies.

MoWP in its aforementioned policy guidelines, inter alia, mentioned that ECC of the Cabinet has been pleased to approve the issuance of the following Policy Guidelines under Section 31 (4) of the NEPRA Act, 1997 on 21.05.2015 i.e. that




"Any negative adjustment on account of monthly FCA will not be passed on to the Domestic consumers who have subsidized electricity tariff."

- 18.4 The Authority considered the policy guidelines of the GoP with respect to the Fuel Price Adjustment being consistent with the GoP Policy for phasing out the subsidy which are also consistent with the standards and guidelines as per Rule 17 of Tariff Standards and Procedure Rules -1998.
- 18.5 Accordingly, the Authority decided that any negative monthly FCA shall not be applicable to lifeline consumers, domestic consumers and Agriculture Consumers of all the XWDISCOs being already subsidized by the GoP. The impact of such negative FCA not passed on to the aforementioned consumer categories, in the matter of the Petitioner, for the FY 2014-15, works out to be as Rs.645 Million.
- 18.6 The Authority in view of the above referred policy guidelines of GoP regarding rationalization of subsidy in the matter of XWDISCOs, has decided not to adjust the impact of negative FCA across different consumer categories, as it was doing in the past. Thus, the negative FPA impact on lifeline consumers, domestic consumers (consuming up to 300 units) and Agriculture Consumers amounting to Rs.645 Million, which is still lying with the Petitioner, must be adjusted by GoP, against the overall Tariff Differential Subsidy claim in the matter of the Petitioner eventually reducing GOP's overall Tariff Differential Subsidy burden. This decision of the Authority is only applicable under a subsidy regime, whereby aforementioned classes of consumers are receiving subsidy directly in their base tariff.
19. Issue # 12: What is the financial impact / loss of revenue due to TOU metering for cellular companies connections and other similar connections?
- 19.1 The Authority observed that IESCO, in its tariff petition for the FY 2012-13, contended that by installing TOU meters on the connections that operate on a 24 hour basis, an undue benefit of lesser off peak rate is enjoyed by these sort of consumers as their demand remains constant throughout the day, irrespective of the differential tariff being offered in different time spectrum. IESCO presented a negative billing impact of Rs.9 million per month approx. due to the installation of TOU meters on cellular company connections (who according to IESCO, maintains constant load throughout the day). The same concern was noted and addressed in para 6.5 of the tariff determination for the FY 2012-13 dated 27th March, 2013.
- 19.2 Consequently, the Authority decided to deal with the matter separately and directed all DISCOs for comments on the issue. Subsequently, comments were filed by DISCOs and they supported the stance of IESCO in their tariff petitions for the FY 2013-14. The following arguments were presented by DISCOs;



20. **Risks**

- Conversion to a TOU meter is only viable for consumers who are aware of the rules and are able to alter their consumption patterns to maximize plan benefits.
- The main objective of TOU tariff was reduced demand on the power system during peak hours by introducing TOU metering.
- Cellular companies run their business round the clock during peak hours as well thus do not contribute toward the reduction in power demand during the peak hours.
- A separate tariff may be introduced for cellular companies as they do not deserve TOU tariff due to constant load behavior.
- The consumer of cellular companies are enjoying the cross subsidy because they are availing the benefits resulting from application of TOU tariff consequently causing a negative impact on revenue as well as average sale rates.
- GEPCO also submitted a negative billing impact of TOU metering of cellular connections of Rs. 13.88 million affecting the revenues of the company;

Comparison of TOU/ Normal Billing to the Cellular Companies for the Month of June, 2013				
Name of Company	No. Of Connections	TOU Billing	Billing under Normal Tariff	Difference
Cellular Companies	1,955	Rs.38.42 million	Rs. 52.30 million	Rs. 13.88 million

- The XWDISCOs suggested discontinuation of TOU metering on all such connections and more specifically on cellular company connections. FESCO also requested for a separate tariff category for these connections.

20.1 Keeping in view the aforementioned arguments / comments submitted by the XW-DISCOs, the Authority decided to hold a separate hearing on the issue by taking stakeholder on board. In this regard a hearing was held on 8th July, 2014. The hearing was attended by representatives of IESCO and legal representatives of Cellular Companies. The representatives of IESCO reiterated their stance and requested the Authority to discontinue the installation of TOU meters on these connections. Whereas, the legal representatives of Cellular companies objected to the proceedings and demanded that evidence of losses being faced by DISCOs should be produced to review by cellular companies in order to provide further justification / evidence. The



legal representatives further objected to the suo-moto proceedings and named it as a brain storming session which needs to be followed by examination of evidence by cellular companies and a further hearing opportunity. The legal representatives of IESCO objected to the concerns of cellular companies' representatives and offered to present all the facts to the Authority. The Authority, during the hearing, required both DISCOs and cellular companies to provide their evidences in this regard to the Authority for consideration.

20.2 As directed by the Authority during the hearing, IESCO submitted data vide letter No. 7617-20/CE/IESCO/CD(S) dated 21st July, 2014. In the meantime some initial information was provided by Warid Telecom Company.

20.3 A number of cellular companies instead of providing data, went to the higher court against the suo-motto proceedings initiated by the Authority. The Honorable Islamabad High Court, dismissed their petition and the same was challenged by cellular companies before the Supreme Court of Pakistan. The decision of the Honorable Supreme Court is reproduced here as under;

"This petition is, therefore, converted into appeal and is allowed. Consequently the impugned judgment dated 22.07.2014 is set aside. This however shall not prevent NEPRA from furnishing the information relevant to the notice issued in the press and to proceed with the hearing after adhering to the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rule, 1998."

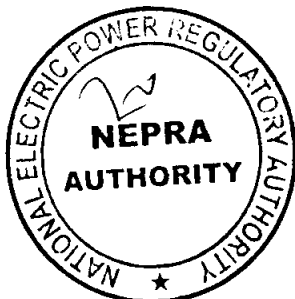
20.4 The representatives of Cellular companies Telecom, Mobilink and Ufone, M/s Aqlal Advocates later on submitted Motion for leave for review vide letter dated 25th July, 2014 and made the following submissions;

- The respondent is unable to file proper evidence without the pleadings and summary of evidence of IESCO being shared with *them;
- Contrary to Authority's understanding, there is no technical capability in the Network Operations Centre (NOC) of the respondents to measure and record the peak vs off-peak consumption of the BTS sites;
- The consumption data as submitted with the motion shows lower consumption in peak hours and is available with IESCO. Consequently, Authority is requested to seek such data from IESCO and share the same with the Respondents for them to be able to file counter-comments thereon before the Authority proceeds to accept and act upon such IESCO data.
- Rule 9(9) and 9(15) of the Tariff Standards and Procedure Rules, 1998 provides for establishing a detailed schedule for the orderly disposition of the proceeding,

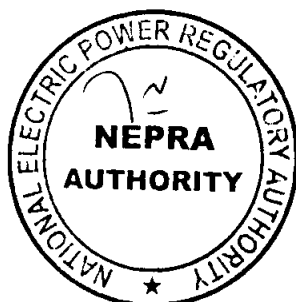


entailing, inter alia, for filing of interrogatories, discovery motions, objections and responses to objections and other procedural matters. Thus the instant proceedings have been conducted without summaries of evidence, any discovery, interrogatories or pleadings of the parties which precludes the Respondents from meaningful participation in the proceedings by presenting their case properly and effectively.

- 20.5 On the afore stated submissions, the Cellular companies made following pleas;
- A detailed schedule for the orderly disposition of the proceeding, inter alia, for filing of interrogatories, discovery motions, objections and responses to objections and other procedural matters be established before further proceedings;
 - After collection of all requisite evidence and giving adequate opportunities to the parties to consider and, if required, object to such evidence, declare close of evidence before the next hearing.
- 20.6 As per decision of Supreme Court of Pakistan the Authority again started proceedings, the Authority vide letter No. 1085-91 dated 23-01-2015 shared the information provided by IESCO with cellular companies for their comments. In response only M/s Mobilink provided their comments vide letter dated 9th March, 2015.
- 20.7 Consequently a letter was issued to the concerned stakeholders dated July 06, 2015 for their comments on the data provided by IESCO. However, till date no comments have been received.
- 20.8 In view of aforementioned and as per the statutory requirements, the Authority framed the same issue in the instant petitions and the relevant data was sought from the DISCOs for seeking comments from the cellular companies.
- 20.9 The Petitioner has not provided any response on the issue.
- 20.10 The Authority keeping in view the sensitivity of the issue has decided to constitute an in house-committee having Technical and financial representation for the review/evaluation of the comments and arguments of the parties. The Authority in light of the findings of the committee may change terms and conditions, if any along with the biannual PPP adjustments.



21. Issue # 13: Whether the existing service delivering structure of circles, divisions and sub-divisions etc. can provide satisfactory services for supply of electric power to the consumers with the substantial expansion in the system?
22. Issue # 14: Whether the existing financial, administrative and technical powers concentrated at different layers of hierarchy is required to be amended in order to provide better services on the door step of the consumer?
- 22.1 Faisalabad Electric Supply Company (FESCO) and Lahore Electric Supply Company (LESCO) requested for creation of new circles, divisions and sub-divisions in the tariff petitions for the FY 2013-14. The Authority directed both the DISCOs to take appointments for a separate presentation on this issue and deferred the decision till that time. Also, the Authority made this issue a matter for discussion for all XWDISCOs in the tariff petition for the FY 2015-16.
- 22.2 The Petitioner has neither provided any response on these issues nor has stated anything during hearing of its instant petition, from which it can be construed that the Petitioner is happy with its existing Organizational Structure and therefore, does not see any reason to amend the existing financial, administrative and technical powers hierarchy or the existing service delivery structure of the Petitioner.
23. Issue # 15: What will be the mechanism of charging Wheeling/Use of System Charges (UOSC) in case of network of XW-DISCOs are used for Wheeling?
- 23.1 Although the Petitioner did not respond on the issue, however, CPPA (G) on the issue of Wheeling has informed (through email dated 21st September, 2015) that while invoicing to DISCOs, it excludes the transmission cost(s) as well as generation capacity cost depending on MDI and MEPCO was requested not to raise any invoice to NTDC/Generators/DISCOs in this regard in future, being at source adjustments, made by CPPA (G) in the monthly Energy Invoices to all. It was also suggested that the confusion may be resolved through NEPRA.
- 23.2 In view thereof, the Authority has decided to conduct a meeting on the subject matter with all the stakeholders not later than 30th June, 2016.
24. Issue # 16: Whether the projected O&M cost for the FY 2015-16 is justified?
25. Issue # 17: Whether the Petitioner's request to link repair and maintenance cost with its net fixed assets merits consideration?
- 25.1 The Petitioner has stated that its O&M expenses include salaries & wages, repair & maintenance, travelling, vehicle running and other expenses. The Petitioner projected an amount of Rs.2,179 million under the O&M expenses in its petition, however,

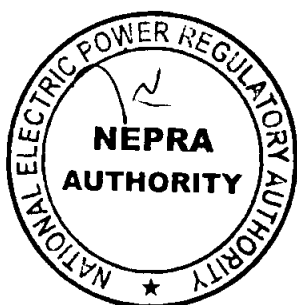


subsequently during hearing of the instant petition, the Petitioner revised the same to Rs.2,218 million. No reasoning in this regard has been provided by the Petitioner.

- 25.2 The Petitioner has projected its O&M cost by taking into account the impact of expected increase in inflation and announcement made by GOP. The aforementioned amount of Rs.2,218 million also includes wheeling charges of Rs.1,425 million.
- 25.3 Since the numbers presented during the hearing are the latest numbers hence the Authority has decided to consider the amount requested during the hearing for the assessment of the Petitioner's O&M cost for the FY 2015-16.
- 25.4 The Petitioner has projected O&M expenses around Rs.0.695 /kWh for FY 2015-16 excluding the impact of wheeling charges. Wheeling charges have been requested as Rs.1,425 million (Rs.1.25 /kWh) for the FY 2015-16. The summary of Petitioner's requested O&M expenses of Rs. 2,218 million is given below: -

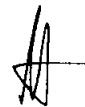
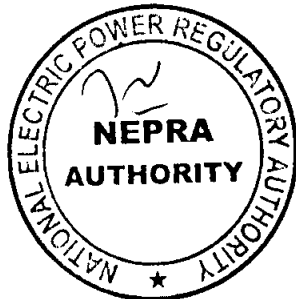
DESCRIPTION	MLN. Rs.	Rs./kWh
Pay & Allowances	680	0.59
Other Operating and Admin: Expenses	90	0.08
Repair & Maintenance	23	0.02
Wheeling Charges	1,425	1.25
Total	2,218	1.94

- 25.5 The Petitioner stated that salaries, wages and employee's retirement benefits of Rs.680 million are the major component of requested O&M expenses. The Petitioner stated that since it was incorporated as company in compliance with power sector reform policy of GOP. The Petitioner further stated that WAPDA employees working in area electricity board Peshawar, gradually becomes employees of the Petitioner in terms of the man power transition plan, therefore, Petitioner had to maintain the GOP pay scales and the terms of employment for the employees which were prevalent in WAPDA. The Petitioner stated that the GOP decision of increase @ 7.5% in the head of pay and pension is applied for projection and 5% increase from December 2015 to onward is also considered for projection of FY 2015-16. The Petitioner delineated that employees retirement benefits have been projected based on the average of annual increase in the last three years audited figures.
- 25.6 The Petitioner has not submitted any other detail / rational or break-up of its request.
- 25.7 On the issue of retired WAPDA employees before 1998, the Authority in its determination of the Petitioner for FY 2014-15, decided that the post retirement benefit cost until 30th June, 2014 shall be borne by WAPDA (Hydel) and subsequent cost shall be borne by XWDISCOs without claiming any receivables from WAPDA



(hydel). The Petitioner neither in its instant petition nor in its financial statements for the FY 2014-15 submitted to the Authority, has clearly mentioned whether the amount of post-retirement benefits paid to Ex-WAPDA employees is included in the actual payments made for FY 2014-15 or otherwise. The Authority in the Petitioner's tariff determination of FY 14-15 directed to create a separate registered post retirement fund not later than 30th June, 2015, but no progress has been conveyed by the Petitioner in this regard till now. As the matter is of the Prime importance, therefore, the Petitioner is once again directed to complete immediately all the legal formalities regarding creation of post retirement fund and create a separate post retirement registered fund not later than 30th June, 2016. In the tariff determination of FY 2014-15, the Authority also directed to carry out actuarial valuation of its post-retirement benefits but the Petitioner again while finalizing the Financial Statements for FY 2014-15 did not carry the actuarial valuation. The Authority again directs the Petitioner to get the actuarial valuation of its postretirement benefits, while finalizing its financial statement.

- 25.8 Although the Petitioner has not requested any additional or replacement hiring, yet in order to mitigate regulatory risk for the Petitioner, the Petitioner can make replacement hiring whereby an employee is hired in lieu of a retiring employee, taking cognizance of the fact that the XWDISCOs work force is retiring each year and if they are not succeeded by skilled manpower, XWDISCOs would not be able to perform efficiently and effectively. In this particular scenario no additional / incremental cost could be incurred by the XWDISCOs. The Petitioner is directed that if it intends to carryout replacement hiring in future, it must obtain a certificate from the Auditor, certifying that the recruitment is undertaken as replacement hiring with no additional/incremental cost impact. Any other additional recruitment must be linked with the comprehensive recruitment plan.
- 25.9 The Authority while assessing the Pay & Allowances & other benefits (excluding post-retirement benefits, discussed below), has taken into account the impact of GOP's recent announcement of 7.5% increase as ad-hoc allowance, 5% annual increment, merging ad-hoc relief of 2011 & 2012 in running basic pay and increase in Medical Allowance by 25% as per GOP notification.
- 25.10 Based on the discussion made in the preceding paragraphs, incorporating all the aforementioned increases, the Authority has assessed Rs.618 million on account of salaries, wages and other benefits including post-retirement benefits for the FY 2015-16.





25.11 Repair & Maintenance Expenses

25.11.1 The Petitioner stated that it has projected its repair & maintenance expenses of Rs.23 million based on applying 0.47% of the net fixed assets that are Rs.4019 million. The Petitioner also stated that it has to maintain its old and over loaded system in order to ensure un-interrupted power supply to the consumers, moreover cost of material has also increased due to inflationary pressure.

25.11.2 During the hearing process of other XWDISCOs, it was revealed that the fixed assets especially transformers and meters are not tagged. The Authority is of the view that proper tagging of the assets is of utmost importance in order to enable the Petitioner to properly classify its cost in terms of capital or expense. The Authority therefore directs the Petitioner to maintain a proper record of its assets by way of tagging each asset for its proper tracking.

25.11.3 Despite of what has been discussed in the preceding paras, the Authority believes that adherence to the service standards and improvement of customer services is only possible through continuous repair and maintenance of distribution network, therefore, the Authority has decided to allow Rs.23 million to the Petitioner as requested under the repair and maintenance cost for FY 2015-16.

25.12 Traveling Expenses

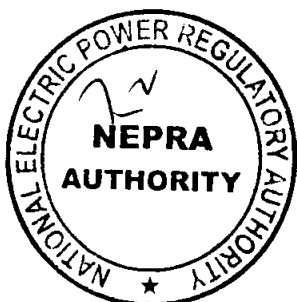
25.12.1 The Petitioner has requested an amount of Rs.22 million for the FY 2015-16. The Petitioner has not submitted any other detail / rational or break-up of its request.

25.12.2 In the absence of any details, the Authority is constrained to rely on the comparison with other XWDISCOs and Petitioner's actual past trend in this regard. Accordingly, the Authority has assessed this expense to the tune of Rs.19 million for the FY 2015-16.

25.13 Vehicle Running Expenses

25.13.1 The Petitioner has requested an amount of Rs.22 million in the head of vehicle running expenses for the FY 2015-16. The Petitioner stated that most of the vehicles are old and has completed useful life of 10 years & need major overhauling. The Petitioner submitted that its financial position does not allow to replace them with new vehicles and left with no option but to maintain them.

25.13.2 The Authority is cognizant of the fact that vehicle maintenance cost is not only affected by the fuel prices but also with the number of vehicles and their conditions, which in turn is dependent on the distribution area of the Petitioner. The Authority is also aware of the old / deteriorated vehicle conditions of the Petitioner and its vast



distribution area. However, at the same time the Authority observes that the oil prices are continuously falling and are expected to continue their declining trend in the future. The Authority in view of the aforementioned arguments, available evidence/information, past trend, fuel price fluctuations and comparison with other XWDISCOs, has decided to allow an amount of Rs.16 million to the Petitioner under this head for FY 2015-16.

25.14 Other Expenses

25.14.1 The Petitioner requested Rs.34 million for the FY 2015-16, pertaining to the expenses like Postage, telephone, , NEPRA License & Tariff petition Fee, Insurance charges, Professional fees to lawyers, Photostat charges, cleaning material, office stationery, and others Miscellaneous charges

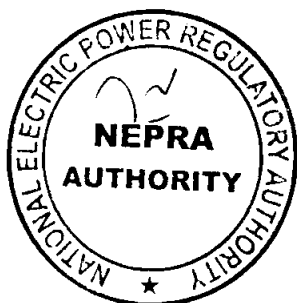
25.14.2 In view thereof, considering the past trend and comparison with the other DISCOs, it has been observed that the request of the Petitioner is not justified, therefore, the Authority has decided to allow an amount of Rs.28 million to the Petitioner under this head for FY 2015-16.

25.15 Wheeling Charges

25.15.1 The Petitioner in its instant petition has requested an amount of Rs.1,425 million on account of wheeling charges. However, no further working/ supportive evidence and justification has been provided by the Petitioner.

25.15.2 The Authority in order to address the issue held two meetings i.e. on 16th January and 1st April, 2014 involving representatives of TESCO, PESCO, MEPCO, CPPA and the professionals of NEPRA.

25.15.3 The Authority was concerned that whether the invoicing of CPPA properly allocates the costs of PPP to the respective DISCOs involved in wheeling. Representative of CPPA clarified and assured that the CPPA is billing PESCO after deducting the MDI of the Petitioner. Thus, only that cost is invoiced to PESCO and the Petitioner that pertains to them. Consequently, there is no excessive or duplication in billing by CPPA. However, during the discussion, MEPCO contended that the incremental T&D losses due to inter – DISCO wheeling are not made part of wheeling charges and it is recording loss in its books due to supply of electricity to other DISCOs. It was further explained that the units received from CPPA for the supply to other DISCOs (e.g. PESCO) is net of incremental transmission losses at the grid of PESCO, yet PESCO has been supplied the gross units at the grid. This ends up recording incremental transmission losses for the supply to PESCO in the books of MEPCO.





25.15.4 The Authority after considering the arguments of CPPA, MEPCO, PESCO and TESCO trashed out the following two points with respect to wheeling while determining the tariff for the FY 2014-15;

- The independent invoicing of CPPA to TESCO.
- T&D losses pertaining to inter- DISCO wheeling

25.15.5 On the issue of CPPA invoicing to TESCO; CPPA had no objections except that since the reading is done jointly by PESCO and the Petitioner's Representatives hence there may be a chance of delay in the provision of information required for raising invoice to TESCO. The Authority vide its letter dated 3rd January, 2014 directed PESCO and the Petitioner to mutually devise a mechanism that would ensure timely provision of information required for raising invoice to the Petitioner. In response, PESCO in its letter # 482-84/N-I dated 13th January, 2014 assured the Authority that PESCO would be able to provide the requisite data to CPPA up to 15th of each month.

25.15.6 In view of above discussion and a principle decision made in the Authority's earlier decision of PESCO (dated 12th March , 2007) at Para 21 , the Authority directed CPPA to invoice the Petitioner independently. The Authority further directed the Petitioner and PESCO to undertake measures to separate joint grids and have dedicated/ independent grids and feeders for the Petitioner's consumers.

25.15.7 The Petitioner would continue to make payments for Wheeling Charges to PESCO and the same has been allowed to Petitioner in the succeeding paragraphs. Concerning the payables already appearing on the TESCO's balance sheet as payables, the Authority directed the Petitioner to come up with a workable plan, with the consent of PESCO not later than 30th June, 2015. The matter of payable has been discussed in detail under the direction part.

25.15.8 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 following formula given in the tariff determination of PESCO for the FY 2015-16;

$$\text{UOSC} = \text{DM (Gross)} \times (1 - L) / (1 - 0.09) \times \text{AFI (TD)} \quad \text{Paissa/kWh}$$

$$\text{Where} \quad \text{DM (Gross)} = 1.77$$

$$L = 26\%$$

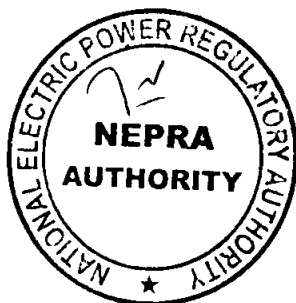
AFI (TD) = Adjustment Factor for Investment at both 132 kV and 11 kV level i.e. 63%

25.15.9 Consequently, the amount of wheeling charges amounts to Rs.1,304 million against the requested sum of Rs.1,425 million by the Petitioner.





- 25.15.10 CPPA (G) on the issue of Wheeling has informed (through email dated 21st September, 2015) that the issue may be resolved through NEPRA. In view thereof, the Authority has decided to conduct a meeting on the subject matter with all the stakeholders not later than 30th June, 2016.
26. Issue # 18: Whether there is any major deviation in the petition from the NEPRA guidelines for determination of consumer-end tariff (Methodology & Process) notified vide SRO. 34(I) 2015 dated 16.01.2015?
- 26.1 The Authority has observed several deviations from the minimum filing requirements indicated in the Methodology particularly with respect to CoSS, Investments, Generation plan and losses etc. The Petitioner is required to fulfil all the requirements as provided in the Methodology while filing the next tariff petition failing which the Petitioner's petition will not be entertained.
27. Issue # 19: Whether the proposed depreciation charges for the FY 2015-16 is justified?
- 27.1 The Petitioner in its instant petition requested an amount of Rs.201 million under the head of depreciation. The Petitioner submitted that depreciation for FY 2015-16 is calculated on the basis of the value of existing Assets plus the additions in assets during the FY 2015-16. The assets are depreciated on straight line method as per utility practice. However no further justification has been provided by the Petitioner.
- 27.2 In order to make fair assessment, the Authority accounts for the investments approved by it for the year. After taking into account new investments, the Gross Fixed Assets in Operation for the FY 2015-16 have been worked out Rs.6,756 million. Accordingly, the depreciation charge for the FY 2015-16 has been assessed as Rs.239 million, calculated on actual depreciation rates for each category of Assets as per the Company's policy.
- 27.3 After carefully examining the relevant details and information pertaining to the deferred credit and amortization as per the accounts for the FY 2014-15, the Authority has assessed amortization of deferred credit to the tune of Rs.157 million for the FY 2015-16. Accordingly, consumers would bear net depreciation of Rs.82 million.
28. Issue # 20: Whether the projected other income for the FY 2015-16 is reasonable?
- 28.1 The Petitioner submitted that the main sources of other income include Interest Income, Sale of Scrape, Amortization of Deferred Credit, Rental & Service Income etc. and it is assumed to be Rs.195 million for the FY 2015-16. However, the Petitioner has not provide any rational and justification for projected figure.



- 28.2 As per the Tariff Methodology, Other Income may be determined in a manner that is consistent with the base year. Other income may be considered to be a negative other cost which may include, but not be limited to, amortization of deferred credit, meter and rental income, late-payment charges, profit on bank deposits, sale of scrap, income from non-utility operations, commission on PTV fees and miscellaneous income. Other income will be monitored to identify trends. The Authority has assessed other Income for the petitioner as Rs.673 Million for FY 2015-16.
- 28.3 The Authority in consistency with its earlier decision, on the issue, has not included the amount of LPS while assessing the other income for FY 2015-16. Here it is pertinent to mention that the LPS recovered from the consumers on utility bills shall be offset against the late payment invoices raised by CPPA (G) against respective XWDISCO only and in the event of non-submission of evidence of payment to CPPA (G), the entire amount of Late Payment charge recovered from consumers shall be made part of other income and deducted from revenue requirement in the subsequent year.
- 28.4 In view thereof, the Authority has assessed Rs.673 million as Other Income which does not include late payment charge and includes amortization of deferred credit.
29. Issue # 21: Whether the proposed revenue requirement and average sale rate for FY 2015-16, is justified?
- 29.1 Annual Revenue Requirement comprises of the following:
1. Power Purchase Price
 2. Impact of T&D Losses
 3. Distribution Margin
 - i) O&M Expenses
 - ii) Depreciation, RORB and Other Income
 4. Prior Year Adjustment
- 29.2 For the assessment of annual revenue requirement each component of average tariff is discussed in detail in the previous paragraphs.
- 29.3 Based on the assessments made in the preceding paragraphs the Revenue Requirement for the FY 2015-16 is assessed as per the following details;





1.	Power Purchase Price	Rs. 13,320 Million
	CpGenE	Rs. 8,475 Million
	CpGenCap	Rs. 4,299 Million
	USCF	Rs. 547 Million
2.	Distribution Margin (Net)	Rs. 1,862 Million
	O&M Cost	Rs. 2,008 Million
	Depreciation	Rs. 239 Million
	RORB	Rs. 287 Million
	Gross DM	Rs. 2,535 Million
	Less: Other Income	Rs. 673 Million
	Prior Year Adjustment	Rs. 943 Million
	Total Assessed Revenue Requirement	Rs. 16,125 Million

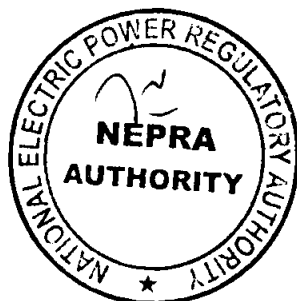
29.4 Based on the projected sales of 1,147 GWh for the FY 2015-16, the Petitioner's average sale rate works out as Rs.14.05/kWh, consisting of Rs.11.61 /kWh of adjusted PPP, Rs.1.62 /kWh of DM and Rs.0.82 /kWh of Prior Year Adjustment.

29.5 This revenue would be recovered from the consumers during the FY2015-16, through the projected sales of 1,147 GWhs, as per Annex – II.

30. ORDER

30.1 From what has been discussed above, the Authority hereby determines the tariff of the Petitioner Company for the Financial Year 2015-16 as under :-

- I. Tribal Areas Electricity Supply Company Limited (TESCO) is allowed to charge its consumers such tariff as set out in the schedule of tariff for TESCO annexed to the determination.
- II. The actual variation in fuel cost component of power purchase price against the reference fuel cost component shall be adjusted on monthly basis without taking into account the T&D losses. The monthly fuel price adjustment shall be based on the actual information submitted by CPPA (G), adjustment of remaining components of PPP will be adjusted biannually. Here it is pertinent to mention that while making biannual adjustments of the PPP, the Authority may rationalize the SoT accordingly.
- III. TESCO is allowed to charge the users of its system a "Use of system charge" (UOSC) equal to:



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- i) Where only 132 kV system is involved
- $$UOSC = DM(Gross) \times \frac{(1-L)}{(1-0.04)} \times AFI(T) \quad \text{Paisa / kWh}$$
- ii) Where only 11 kV distribution systems is involved,
- $$UOSC = DM(Gross) \times \frac{(1-L)}{(1-0.05)} \times AFI(D) \quad \text{Paisa / kWh}$$
- iii) Where both 132 kV and 11 kV distribution systems are involved.
- $$UOSC = DM(Gross) \times \frac{(1-L)}{(1-0.09)} \times AFI(TD) \quad \text{Paisa / kWh}$$

Where:

Gross Distribution Margin for FY 2015-16 is set at Rs.2.21/kWh (without excluding impact of other income)

'L' is the overall percentage loss assessment for the respective year.

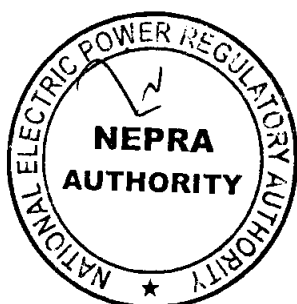
AFI (T) = Adjustment factor for investment at 132 kV level i.e.53%

AFI (D) = Adjustment factor for investment at 11 kV level i.e. 26%.

AFI (TD) = Adjustment factor for investment at both 132 kV & 11 kV level i.e. 79%.

- IV. The residential consumers will be given the benefit of only one previous slab.
- V. T&D losses target of 20.00% has been assessed for TESCO for the FY 2015-16.
- VII. Total investment of Rs.2,186 million has been approved.
- VIII. The Order part, Annex-I, II, III, IV, V, VI and VII annexed with determination is intimated to the Federal Government for notification in the official gazette under Section 31(4) of the NEPRA Act.
- IX. The Authority hereby determines and approves the following component wise cost and their adjustments mechanism in the matter of TESCO's tariff petition for the FY 2015-16.

TARIFF COMPONENT	Assessed Cost FY 2015-16	ADJUSTMENTS/ ASSESSMENT	TIME LINES
POWER PURCHASE PRICE			
Energy Purchase Price			
Fuel Cost	8,030	Monthly, as per the approved mechanism.	Data to be provided by CPPA (G) by 3 rd of close of the month
Variable O&M	444	Biannually, as per the approved mechanism.	Request to be furnished by the Petitioner not later than 10 th July



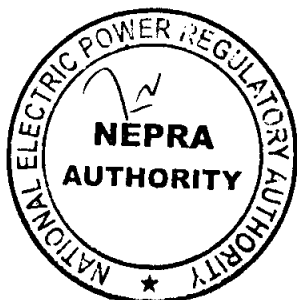



			and 10 th January, as the case may be.
Capacity Charges	4,299	Biannually, as per the approved mechanism.	Request to be furnished by the Petitioner not later than 10 th July and 10 th January, as the case may be.
Use of System Charges	547	Biannually, as per the approved mechanism.	Request to be furnished by the Petitioner not later than 10 th July and 10 th January, as the case may be.
T&D Losses	20.00%	Biannually, as per the approved mechanism.	Request to be furnished by the Petitioner not later than 10 th July and 10 th January, as the case may be.
NET DISTRIBUTION MARGIN	1,862		
O&M Cost			
Salaries, wages & other benefits	496	Annually	On the basis of next year tariff petition.
Post-Retirement benefits	122	---do---	---do---
Repair and Maintenance	23	---do---	---do---
Other operating expenses (Including wheeling charges)	1,368	---do---	---do---
Depreciation	239	---do---	---do---
Return on Rate Base	287	---do---	---do---
Other Income	(673)	---do---	---do---
Prior Year Adjustment	943	---do---	---do---

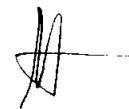
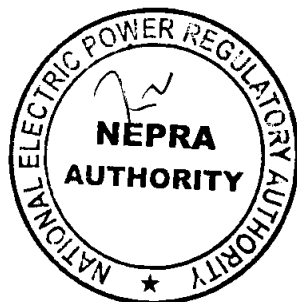
31. Summary of Direction

31.1 The summary of all the directions passed in this determination by the Authority are reproduced hereunder. The Authority has directed the Petitioner;

- To complete the process of separation of feeders from PESCO by 30th June, 2016.
- To provide the actual figure of both the installed and remaining TOU meters and submit a comprehensive plan for the installation of the same not later than 30th June, 2016.
- To submit the details of the actual investments carried out during the FY 2014-15 along with its corresponding benefits, not later than 30th June, 2016.
- To get the actuarial valuation of its post-retirement benefits and create a separate independent post retirement fund not later than 30th June, 2016.



- To ensure the compliance of the Authority's direction in terms of segregation of cost between traveling and vehicle maintenance in true letter and spirit.
- To ensure the compliance of the Authority's direction to disclose the amount of LPC separately in its Financial Statements.
- To come up with a workable plan, with the consent of PESCO on the issue of payables to ensure disposing of its liability in this regard.
- To come up with a concrete recovery plan and also to take up the matter of recovery at the level of Provincial and Federal governments for administrative, political and law enforcing agencies assistance. The Petitioner is further directed to provide the latest status/ update in the matter of letter written to GoP for information/ consideration of the Authority.
- To install meters on unmetered connections and at the same time start printing snap shots of the meter reading on the bills.
- To stagger its investment plan in stages. The same plan would be in line with its plan of installing meters on non-metered connections. Thus, the Petitioner is directed to submit its investment needs in this regard along with the installation of meters, not later than 30th June, 2016.
- To complete the installation of AMRs/ AMIs System within the given time lines.
- To share the TORs and technical details of the study already undertaken and update the Authority on the latest stage of the said study. The Petitioner is also directed to mention completion dates of the study along with the aforementioned not later than 30th June, 2016.
- To restrain from unlawful utilization of receipts against deposit works and security deposits, failing which, the proceedings under the relevant law shall be initiated against the Petitioner. The Petitioner is also directed to give clear disclosures in its Financial Statements with respect to the consumer financed spares and stores, work in progress and cash & bank balance.
- To spend at least 20% of the village electrification funds for improvement / up-gradation of the grid without which it should not undertake any village electrification resulting in overloading of its system. The village electrification would only be undertaken without augmentation of the grid, if it already has spare MVAs.
- To complete immediately all the legal formalities regarding creation of post retirement fund and create a separate post retirement registered fund not later than 30th June, 2016.





- To maintain a proper record of its assets by way of tagging each asset for its proper tracking.
- If the Petitioner intends to carryout replacement hiring in future, it must obtain a certificate from the Auditor, certifying that the recruitment is undertaken as replacement hiring with no additional/incremental cost impact. Any other additional recruitment must be linked with the comprehensive recruitment plan.



FUEL PRICE ADJUSTMENT MECHANISM

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

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

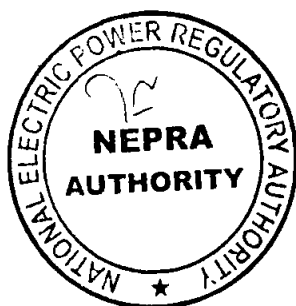
Where:

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

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

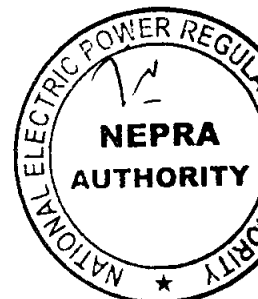
Reference fuel cost component is the fuel cost component for the corresponding month projected for the purpose of tariff determination as per Annex-IV of the determination;

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



TRIBAL AREAS ELECTRICITY SUPPLY COMPANY LIMITED (TESCO)
Estimated Sales Revenue on the Basis of New Tariff

Description	Sales		Tariff		Revenue		Total
	GWh	% Mix	Fixed Charge Rs./kW/ M	Variable Charge Rs./ kWh	Fixed Charge	Variable Charge	
					Min. Rs.		
Residential							
Up to 50 Units	11	0.93%		4.00	-	42	42
For peak load requirement less than 5 kW							
01-100 Units	244	21.28%		11.35	-	2,771	2,771
101-200 Units	137	11.91%		14.15	-	1,934	1,934
201-300 Units	217	18.88%		14.80	-	3,206	3,206
301-700 Units	248	21.60%		15.25	-	3,780	3,780
Above 700 Units	123	10.72%		16.05	-	1,973	1,973
For peak load requirement exceeding 5 kW)							
Time of Use (TOU) - Peak	0	0.00%		16.05	-	-	-
Time of Use (TOU) - Off-Peak	0	0.00%		11.55	-	1	1
Temporary Supply	0	0.00%		16.05	-	0	0
Total Residential	979	85.31%				13,706	13,706
Commercial - A2							
For peak load requirement less than 5 kW	7	0.57%		16.05	-	105	105
For peak load requirement exceeding 5 kW							
Regular	0	0.00%	400.00	14.05	-	-	-
Time of Use (TOU) - Peak	0	0.00%		16.05	-	-	-
Time of Use (TOU) - Off-Peak	0	0.00%	400.00	11.55	0	0	0
Temporary Supply	0	0.00%		16.05	-	-	-
Total Commercial	7	0.57%			0	105	105
General Services-A3							
	34	3.00%		14.35		494	494
Industrial							
B1	11	0.92%		12.05	-	127	127
B1 Peak	0	0.00%		16.05	-	-	-
B1 Off Peak	0	0.00%		11.55	-	-	-
B2	15	1.29%	400.00	11.55	26	171	197
B2 - TOU (Peak)	0	0.00%		16.05	-	-	-
B2 - TOU (Off-peak)	0	0.00%	400.00	11.35	-	-	-
B3 - TOU (Peak)	13	1.16%		16.05		213	213
B3 - TOU (Off-peak)	27	2.35%	380.00	11.25	45	304	349
B4 - TOU (Peak)	0	0.00%		16.05	-	-	-
B4 - TOU (Off-peak)	0	0.00%	360.00	11.15	-	-	-
Temporary Supply	0	0.00%		12.05	-	0	0
Total Industrial	66	5.72%			71	814	885
Single Point Supply for further distribution							
C1(a) Supply at 400 Volts-less than 5 kW	1	0.07%		12.55	-	10	10
C1(b) Supply at 400 Volts-exceeding 5 kW	7	0.61%	400.00	12.05	12	85	97
Time of Use (TOU) - Peak	0	0.00%		16.05	-	-	-
Time of Use (TOU) - Off-Peak	0	0.00%	400.00	11.55	-	-	-
C2 Supply at 11 kV	0	0.00%	380.00	11.85	-	-	-
Time of Use (TOU) - Peak	0	0.00%		16.05	-	-	-
Time of Use (TOU) - Off-Peak	0	0.00%	380.00	11.35	-	-	-
C3 Supply above 11 kV	0	0.00%	360.00	11.75	-	-	-
Time of Use (TOU) - Peak	0	0.00%		16.05	-	-	-
Time of Use (TOU) - Off-Peak	0	0.00%	360.00	11.25	-	-	-
Total Single Point Supply	8	0.68%			12	94	106
Agricultural Tube-wells - Tariff D							
Scarp	0	0.00%		12.05	-	-	-
Time of Use (TOU) - Peak	8	0.66%		16.05	-	121	121
Time of Use (TOU) - Off-Peak	8	0.66%	200.00	11.25	24	85	109
Agricultural Tube-wells	0	0.00%	200.00	11.55	-	-	-
Time of Use (TOU) - Peak	19	1.70%		16.05	-	313	313
Time of Use (TOU) - Off-Peak	19	1.70%	200.00	11.25	63	219	282
Total Agricultural	54	4.71%			87	738	825
Public Lighting - Tariff G	0	0.00%		12.05	-	-	-
Residential Colonies	0	0.00%		12.05	-	-	-
Sub-Total		0.00%					
Special Contract - Tariff-J							
J-1 For Supply at 66 kV & above	-	0.00%	360.00	11.75	-	-	-
Time of Use (TOU) - Peak	-	0.00%		16.05	-	-	-
Time of Use (TOU) - Off-Peak	-	0.00%	360.00	11.25	-	-	-
J-2 (a) For Supply at 11, 33 kV	-	0.00%	380.00	11.85	-	-	-
Time of Use (TOU) - Peak	-	0.00%		16.05	-	-	-
Time of Use (TOU) - Off-Peak	-	0.00%	380.00	11.35	-	-	-
J-2 (b) For Supply at 66 kV & above	-	0.00%	360.00	11.75	-	-	-
Time of Use (TOU) - Peak	-	0.00%		16.05	-	-	-
Time of Use (TOU) - Off-Peak	-	0.00%	360.00	11.25	-	-	-
J-3 (a) For Supply at 11, 33 kV	-	0.00%	380.00	11.85	-	-	-
Time of Use (TOU) - Peak	-	0.00%		16.05	-	-	-
Time of Use (TOU) - Off-Peak	-	0.00%	380.00	11.35	-	-	-
J-3 (b) For Supply at 66 kV & above	-	0.00%	360.00	11.75	-	-	-
Time of Use (TOU) - Peak	-	0.00%		16.05	-	-	-
Time of Use (TOU) - Off-Peak	-	0.00%	360.00	11.25	-	-	-
Total Revenue	1,147	100%			170	15,952	16,124



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

A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
a)	For Sanctioned load less than 5 kW			
i	Up to 50 Units	-		4.00
	For Consumption exceeding 50 Units			
ii	001 - 100 Units	-		11.35
iii	101 - 200 Units	-		14.15
iv	201 - 300 Units	-		14.80
v	301 - 700 Units	-		15.25
vi	Above 700 Units	-		16.05
b)	For Sanctioned load 5 kW & above			
	Time Of Use	-	Peak	Off-Peak
			16.05	11.55

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

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

- a) Single Phase Connections: Rs. 75/- per consumer per month
b) Three Phase Connections: Rs. 150/- per consumer per month

A-2 GENERAL SUPPLY TARIFF - COMMERCIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
a)	For Sanctioned load less than 5 kW			16.05
b)	For Sanctioned load 5 kW & above	400.00		14.05
			Peak	Off-Peak
c)	Time Of Use	400.00	16.05	11.55

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

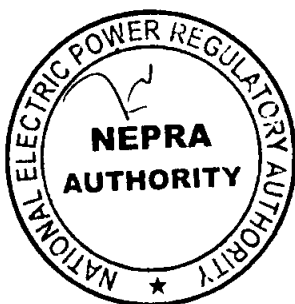
- a) Single Phase Connections; Rs. 175/- per consumer per month
b) Three Phase Connections: Rs. 350/- per consumer per month

A-3 GENERAL SERVICES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
a)	General Services	-		14.35

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

- a) Single Phase Connections; Rs. 175/- per consumer per month
b) Three Phase Connections: Rs. 350/- per consumer per month



SCHEDULE OF ELECTRICITY TARIFFS
FOR TRIBAL AREAS ELECTRICITY SUPPLY COMPANY LIMITED (TESCO)
B INDUSTRIAL SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
B1	Up to 25 kW (at 400/230 Volts)	-		12.05
B2(a)	exceeding 25-500 kW (at 400 Volts)	400.00		11.55
	Time Of Use			
B1 (b)	Up to 25 kW		16.05	11.55
B2(b)	exceeding 25-500 kW (at 400 Volts)	400.00	16.05	11.35
B3	For All Loads up to 5000 kW (at 11,33 kV)	380.00	16.05	11.25
B4	For All Loads (at 66,132 kV & above)	360.00	16.05	11.15

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

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

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

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

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

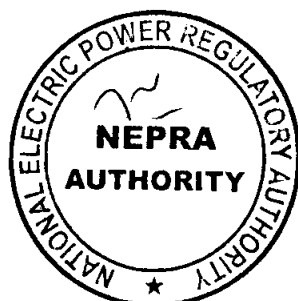
Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
C -1	For supply at 400/230 Volts			
a)	Sanctioned load less than 5 kW	-		12.55
b)	Sanctioned load 5 kW & up to 500 kW	400.00		12.05
C -2(a)	For supply at 11,33 kV up to and including 5000 kW	380.00		11.85
C -3(a)	For supply at 66 kV & above and sanctioned load above 5000 kW	360.00		11.75
	Time Of Use			
C -1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	400.00	16.05	11.55
C -2(b)	For supply at 11,33 kV up to and including 5000 kW	380.00	16.05	11.35
C -3(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	360.00	16.05	11.25

D - AGRICULTURE TARIFF

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
D-1(a)	SCARP less than 5 kW	-		12.05
D-2 (a)	Agricultural Tube Wells	200.00		11.55
D-1(b)	SCARP 5 kW & above	200.00	16.05	11.25
D-2 (b)	Agricultural 5 kW & above	200.00	16.05	11.25

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

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



SCHEDULE OF ELECTRICITY TARIFFS
FOR TRIBAL AREAS ELECTRICITY SUPPLY COMPANY LIMITED (TESCO)
E - TEMPORARY SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES
		Rs/kW/M	Rs/kWh
E-1(i)	Residential Supply	-	16.05
E-1(ii)	Commercial Supply	-	16.05
E-2	Industrial Supply	-	12.05

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

F - SEASONAL INDUSTRIAL SUPPLY TARIFF

125% of relevant industrial tariff

Note:

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

G- PUBLIC LIGHTING

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES
		Rs/kW/M	Rs/kWh
	Street Lighting	-	12.05

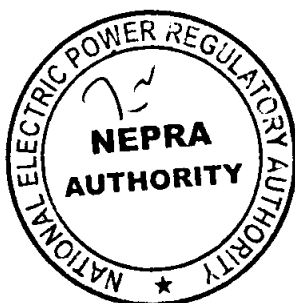
Under Tariff G, there shall be a minimum monthly charge of Rs.500/- per month per kW of lamp capacity installed.

H - RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES
		Rs/kW/M	Rs/kWh
	Residential Colonies attached to industrial premises	-	12.05

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

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
J-1	For supply at 66 kV & above and having sanctioned load of 20MW & above	360.00	11.75	
J-2	(a) For supply at 11,33 kV	380.00	11.85	
	(b) For supply at 66 kV & above	360.00	11.75	
J-3	(a) For supply at 11,33 kV	380.00	11.85	
	(b) For supply at 66 kV & above	360.00	11.75	
	Time Of Use		Peak	Off-Peak
J-1(b)	For supply at 66 kV & above and having sanctioned load of 20MW & above	360.00	16.05	11.25
J-2 (c)	For supply at 11,33 kV	380.00	16.05	11.35
J-2 (d)	For supply at 66 kV & above	360.00	16.05	11.25
J-3 (c)	For supply at 11,33 kV	380.00	16.05	11.35
J-3 (d)	For supply at 66 kV & above	360.00	16.05	11.25



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TESCO Power Purchase Price

Name	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Purchased by DISCOs (GWh)	115	108	126	145	155	127	109	128	114	104	99	104	1,434

kWh

Fuel Cost Component	4.9811	4.7552	5.1217	5.2366	5.0497	5.8619	7.1241	5.7493	6.6429	6.7227	5.2908	4.9927	5.5993
Variable O & M	0.2727	0.2678	0.2825	0.2891	0.2916	0.3337	0.3711	0.3234	0.3467	0.3577	0.3050	0.2891	0.3097
CpGenCap	2.6935	3.0859	2.7366	2.3140	2.4876	2.7641	3.6217	3.2768	3.9221	3.4379	3.4336	2.6871	2.9973
USCF	0.3402	0.4169	0.3756	0.3085	0.3463	0.3422	0.4157	0.4238	0.4487	0.4439	0.3922	0.3603	0.3811
Total PPP in Rs. /kWh	8.2875	8.5257	8.5163	8.1482	8.1753	9.3018	11.5327	9.7734	11.3603	10.9621	9.4216	8.3292	9.2874

Rs in Million

Fuel Cost Component	575	514	646	759	785	742	779	735	757	696	525	517	8,030
Variable O & M	31	29	36	42	45	42	41	41	40	37	30	30	444
CpGenCap	311	334	345	335	387	350	396	419	447	356	340	278	4,299
USCF	39	45	47	45	54	43	45	54	51	46	39	37	547
PPP	957	922	1,075	1,181	1,271	1,178	1,262	1,249	1,295	1,135	934	863	13,320

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



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

PART-I

GENERAL DEFINITIONS

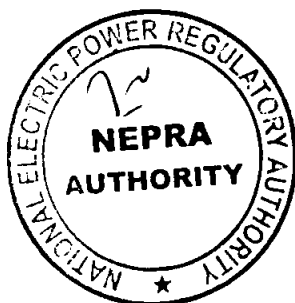
The Company, for the purposes of these terms and conditions means Tribal Areas Electricity Supply Company Limited (TESCO) engaged in the business of distribution of electricity within the territory mentioned in the licence granted to it for this purpose.

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

	* <u>PEAK TIMING</u>	<u>OFF-PEAK TIMING</u>
Dec to Feb (inclusive) day	5 PM to 9 PM	Remaining 20 hours of the
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 exceeding 4 kW supply shall be given at three-phase.



12. "Consumer" means a person of his successor-in-interest as defined under Section 2(iv) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).
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 Dispatch 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 (XL of 1997).

GENERAL CONDITIONS

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



PART-II

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

A-1 RESIDENTIAL

Definition

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

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

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

A-2 COMMERCIAL

1. This tariff is applicable for supply to commercial offices and commercial establishments such as:
 - i) Shops,
 - ii) Hotels and Restaurants,
 - iii) Petrol Pumps and Service Stations,
 - iv) Compressed Natural Gas filling stations,
 - v) Private Hospitals/Clinics/Dispensaries,
 - vi) Places of Entertainment, Cinemas, Theaters, Clubs;
 - vii) Guest Houses/Rest Houses,
 - viii) Office of Lawyers, Solicitors, Law Associates and Consultants etc.
2. Consumers under tariff A-2 having sanctioned load of less than 5 kW shall be billed under a Single-Part kWh rate A-2(a)
3. All existing consumers under tariff A-2 having sanctioned load 5 kW and above shall be billed on A-2(b) tariff till such time that they are provided T.O.U metering arrangement; thereafter such consumers shall be billed on T.O.U tariff A-2(c).
4. The existing and prospective consumers having load of 5 kW and above can opt for T.O.U metering arrangement and A-2(c) tariff.
5. All existing consumers under tariff A-2 shall be provided T.O.U metering arrangement by the Company and convert it to-A-2 (c) Tariff.
6. All new connections having load requirement 5 kW and above shall be provided T.O.U meters and shall be billed under tariff A-2(c).



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 operating on three phase 400 volts other than those meant for the irrigation or reclamation of Agriculture land.
1. Consumers under General Services (A-3) shall be billed on single-part kWh rate i.e. A-3(a) tariff.

B INDUSTRIAL SUPPLY

Definitions

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

Conditions

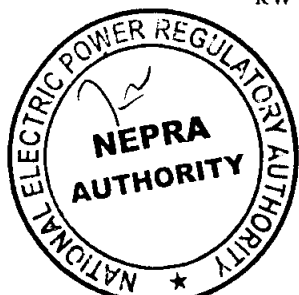
An industrial consumer shall have the option, to switch over to seasonal Tariff-F, provided his connection is seasonal in nature as defined under Tariff-F, and he undertakes to abide by the terms and conditions of Tariff-F and pays the difference of security deposit rates previously deposited and those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

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

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

B-2 SUPPLY AT 400 VOLTS

1. This tariff is applicable for supply to Industries having sanctioned load of more than 25 kW up to and including 500 kW.



2. All existing consumers under tariff B-2 shall be provided T.O.U metering arrangement by the Company and converted to B-2(b) Tariff.
3. All new applicants i.e. prospective consumers applying for service to the Company shall be provided T.O.U metering arrangement and charged according to the applicable T.O.U tariff.

B-3 SUPPLY AT 11 kV AND 33 kV

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

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

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



C BULK SUPPLY

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

General Conditions

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

C-1 SUPPLY AT 400/230 VOLTS

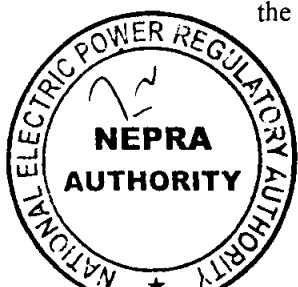
1. This Tariff is applicable to a consumer having a metering arrangement at 400 volts, having sanctioned load of up to and including 500 kW.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. C-1(a) tariff.
3. All new consumers having sanctioned load 5 kW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

C-2 SUPPLY AT 11 kV AND 33 kV

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

C-3 SUPPLY AT 66 kV AND ABOVE

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



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

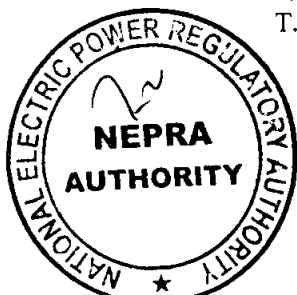
1. This tariff shall apply to:
 - i) Reclamation and Drainage Operation under Salinity Control and Reclamation Projects (SCARP):
 - ii) Bona fide forests, agricultural tube-wells and lift irrigation pumps for the irrigation of agricultural land.
 - iii) Tube-wells meant for aqua-culture, viz. fish farms, fish hatcheries and fish nurseries.
 - iv) Tube-wells installed in a dairy farm meant for cultivating crops as fodder and for upkeep of cattle.
2. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.
3. The lamps and fans consumption in the residential quarters, if any, attached to the tube-wells shall be charged entirely under Tariff A-1 for which separate metering arrangements should be installed.
4. The supply under this Tariff shall not be available to consumer using pumps for the irrigation of parks, meadows, gardens, orchards, attached to and forming part of the residential, commercial or industrial premises in which case the corresponding Tariff A-1, A-2 or Industrial Tariff B-1, B-2 shall be respectively applicable.

D-1

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

D-2

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



E -1 TEMPORARY RESIDENTIAL/COMMERCIAL SUPPLY

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

Special Conditions of Supply

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

E -2 TEMPORARY INDUSTRIAL SUPPLY

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

SPECIAL CONDITIONS OF SUPPLY

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

F SEASONAL INDUSTRIAL SUPPLY

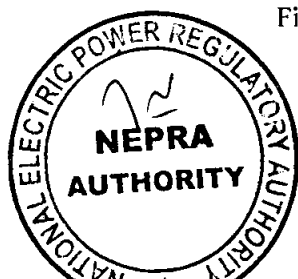
“Seasonal Industry” for the purpose of application of this Tariff, means an industry which works only for part of the year to meet demand for goods or services arising during a particular season of the year. However, any seasonal industry running in combination with one or more seasonal industries, against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

Definitions

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

Special Conditions of Supply

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



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

G PUBLIC LIGHTING SUPPLY

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

Definitions

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

Special Conditions of Supply

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

H RESIDENTIAL COLONIES ATTACHED TO INDUSTRIES

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

Definitions

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

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



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

Special Conditions of Supply

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

I. TRACTION

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

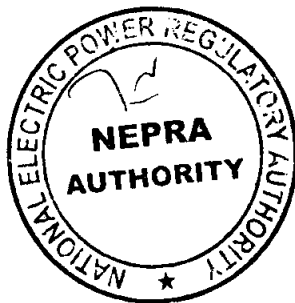
J. SPECIAL CONTRACTS UNDER NEPRA (SUPPLY OF POWER) REGULATIONS 2015

Supply for the purpose of this tariff means the supply given at one or more common delivery points;

- i. To a licensee procuring power from TESCO for the purpose of further supply within its respective service territory and jurisdiction.
- ii. To an O&M operator under the O&M Agreement within the meaning of NEPRA (Supply of Power) Regulations 2015 duly approved by the Authority for the purpose of further supply within the service territory and jurisdiction of the TESCO
- iii. To an Authorized agent within the meaning of NEPRA (Supply of Power) Regulations 2015, procuring power from the TESCO for further supply within the service territory and jurisdiction of the TESCO

J-1 SUPPLY TO LICENSEE

1. This tariff is applicable to a Licensee having sanctioned load of 20 MW and above receiving supply at 66 kV and above.
2. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to J-1(b).
3. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff J-1(b) as set out in the Schedule of Tariff.



SUPPLY UNDER O&M AGREEMENT

J-2 (a) SUPPLY AT 11 KV AND 33 KV

1. This tariff is applicable to an O&M operator receiving supply at 11 kV or 33 kV under the O&M Agreement duly approved by the Authority.
2. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to J-2(c).
3. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff J-2(c) as set out in the Schedule of Tariff.

J-2 (b) SUPPLY AT 66 KV AND ABOVE

1. This tariff is applicable to an O&M operator receiving supply at 66 kV & above under the O&M Agreement duly approved by the Authority.
2. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to J-2(d).
3. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff J-2(d) as set out in the Schedule of Tariff.

SUPPLY TO AUTHORIZED AGENT

J-3 (a) SUPPLY AT 11 KV AND 33 KV

1. This tariff is applicable to an authorized agent receiving supply at 11 kV or 33 kV.
2. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to J-3(c).
3. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff J-3(c) as set out in the Schedule of Tariff.

J-3 (b) SUPPLY AT 66 KV AND ABOVE

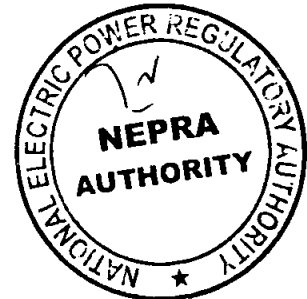
1. This tariff is applicable to an authorized agent receiving supply at 66 kV & above.
2. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to J-3(d).
3. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff J-3(d) as set out in the Schedule of Tariff.



***List of Interested / Affected Parties to send the
Notices of Admission/ Hearing regarding Petition filed
by Tribal Area Electricity Supply Co. Ltd. (TESCO) for the determination of
Consumer-end tariff for the FY 2015-16 based on Actual /Estimated results for
the FY 2014-15 as base year.***

A. Secretaries of various ministries

1. Secretary
Cabinet Division
Cabinet Secretariat
Islamabad
2. Secretary
Ministry of Industries & Production
'A' Block, Pak Secretariat
Islamabad
3. Secretary
Ministry of Water & Power
'A' Block, Pak Secretariat
Islamabad
4. Secretary
Ministry of Finance
'Q' Block, Pak Secretariat
Islamabad
5. Secretary
Ministry of Commerce
A-Block, Pak Secretariat
Islamabad
6. Secretary
Privatization Commission
EAC Building
Islamabad
Tel: 9222242
7. Secretary
Planning and Development Division
'P' Block, Pak Secretariat
Islamabad
8. Secretary
Ministry of Petroleum & Natural Resources

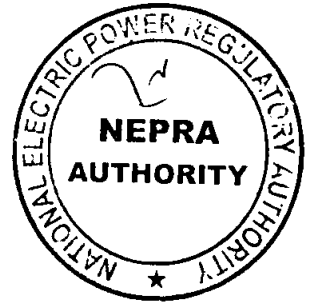


'A' Block, Pak Secretariat
Islamabad

9. Secretary,
Irrigation & Power Deptt.
Govt. of KPK
KPK Sectt.
Peshawar
10. Director General
National Tariff Commission
Ministry of Commerce
State Life Building No. 5,
Blue Area Islamabad
11. Project Director
Energy Monitoring Cell
Finance Department
Govt. of KPK
Benevolent Fund Building,
Saddar Road,
Peshawar

B. Chambers of Commerce and Industry & General Public

1. President
The Federation of Pakistan
Chamber of Commerce and Industry
Federation House, Main Clifton
Karachi – 5675600
2. President
Islamabad Chamber of Commerce & Industry
Chamber House, Aiwan-e-Sanat-o-Tijarat Road,
G-8/1, Islamabad
3. President
Lahore Chamber of Commerce & Industry
11, Shahrah-e-Awan-e-Tijarat
Lahore
4. President
Khyber Pakhtunkhwa Chamber of Commerce & Industry,
Khyber Pakhtunkhwa Chamber G.T. Road
Peshawar
5. President
Senior Citizen Foundation of Pakistan



5-P, Markaz G-7, Sitara Market
Islamabad

6. Chairman
All Pakistan Textile Mills Association (APTMA)
APTMA House, 44-A, Lalazar P.O. Box 5446
Moulvi Tamizuddin Khan Road
Karachi
7. Chairman
S.I.T.E. Association of Industry
H-16, S.I.T.E.
Karachi
8. SHEHRI
206-G, Block – 2, P.E.C.H.S
Karachi – 75400
9. Industrials Association of Peshawar
I.A.P. Office Plot No. 77
Hayatabad Industrial Estate, Jamrud Road,
Peshawar
10. Rashid Law Associates on behalf of
All Pakistan Textile Mills Association
5th Floor, Ajmal House, 27-Egerton Road,
Lahore.
11. President
Institute of Electrical & Electronics Engineers of Pakistan (IEEEEP)
4 – Lawrence Road
Lahore
12. President
The Institute of Engineers Pakistan
IEP Roundabout Engineering Centre
Gulberg – III
Lahore – 54660
13. Chairman
Pakistan Engineering Council
Attaturk Avenue (East), G-5/2
Islamabad
14. Mr. Syed Sharafat Hussain Shah,
Power Consultant, (Cost Management Cell),
Office of the General Manager (Cost Accounts),
Room 230, 2nd Floor, E Block,

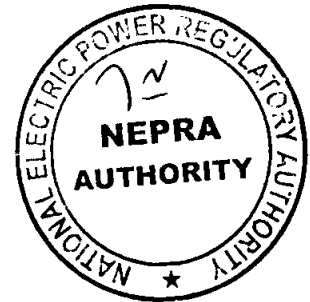


PTCL H/Qrs, G-8/4, Islamabad.

15. Mr. S. Karamat Ali Rizvi,
Project Director (E.M.C),
Finance Department,
Govt. of Khyber Pakhtunkhwa,

C. Power Companies

1. Project Director
(Energy Monitoring Cell)
Finance Department
Government of KPK
2nd Floor, Benevolent Fund Building,
Peshawar Cantt.
2. Secretary
Energy & Power Department
H. No. 69, St. No. 3,
Defence Officers Colony,
Shami Road,
Peshawar
3. Secretary
Finance Department
Government of KPK
KPK Secretariat
Peshawar
4. Member Power
WAPDA
738 – WAPDA House
Shahra-e-Quaid-e-Azam
Lahore
Tel: 042-9202225
Fax: 042-9202454, 9202486
5. Chief Executive
Pakistan Electric Power Company (PEPCO)
721-WAPDA House
Shahrah-e-Quaid-e-Azam
Lahore
6. Chief Executive Officer
NTDC
414 WAPDA House
Shaharah-e-Quaid-e-Azam
LAHORE



[Handwritten signature]

7. Managing Director
Private Power and Infrastructure Board (PPIB)
House No. 50, Sector F-7/4
Nazimuddin Road
Islamabad

D. Petitioner

1. Chief Executive Officer,
Tribal Areas Electric Supply Company (TESCO)
WAPDA House, Shami Road,
Peshawar

E. CPPA

The Managing Director,
Central Power Purchasing Agency (CPPA),
WAPDA House Shahrah-e-Quaid-e-Azam, Lahore

F. PESCO

The Chief Executive Officer,
PESCO
166 Wapda House
Shami Rd Peshawar

G. FATA

Secretary,
Federally Administered Tribal Areas (FATA)
Warsak Road,
Peshawar





National Electric Power Regulatory Authority (NEPRA)

NOTICE OF ADMISSION/PUBLIC HEARING

PETITION FILED BY TRIBAL AREAS ELECTRICITY SUPPLY COMPANY (TESCO) FOR THE DETERMINATION OF ITS CONSUMER-END TARIFF PERTAINING TO THE FY 2015-16 BASED ON ACTUAL/ESTIMATED RESULTS FOR THE FY 2014-15 AS THE BASE YEAR

All stakeholders, interested/affected persons and the general public are notified that Tribal Areas Electricity Supply Company Limited (TESCO) has filed a petition with the National Electric Power Regulatory Authority (NEPRA) for the determination of its consumer-end tariff pertaining to the FY 2015-16 based on actual/estimated results of the FY 2014-15 as the test year.

SALIENT FEATURES OF THE PETITION

The petitioner has prayed for the determination of its consumer-end tariff pertaining to the Financial Year 2014-15, approval of Distribution Margin @ 2.480/kWh, investment for Rs.1,013 million, line losses @ 20% and average sales revenue at Rs.14,767/kWh with the following category-wise tariff:

Description	Requested Tariff for the FY 2015-16		NEPRA Determined Tariff Pertaining to the FY 2014-15	
	Fixed Charges Rs./kVA/yr	Var. Charges Rs./kWh	Fixed Charges Rs./kVA/yr	Var. Charges Rs./kWh
Residential - A1				
For Peak Load Requirement Less Than 5 kW				
Up to 50 Units		2.00		4.00
1-100 Units		12.62		14.30
101-200 Units		16.10		14.30
201-300 Units		16.30		17.30
301-700 Units		17.00		18.00
Above 700 Units		18.50		19.00
For Peak Load Requirement 5 kW & Above				
Time of Day (TOU) - Peak				19.00
Time of Day (TOU) - Off-Peak		14.40		14.50
Total Domestic				
Commercial - A2				
For Peak Load Requirement Less Than 5 kW		20.00		19.00
For Peak Load Requirement 5 kW & Above				
Regular	120	19.00	400	17.00
Time of Day (TOU) - Peak				19.00
Time of Day (TOU) - Off-Peak	120	14.40	400	14.50
Total Commercial				
Industrial				
B1 Up To 25 kW (400/230 Volts)		14.40		15.00
B1(b) Up To 25 kW (Peak)				19.00
B1(b) Up To 25 kW (Off-Peak)				14.50
B2(a) Exceeding 25-500 kW (400 Volts)	120		400	14.50
B2(b) - TOU (Peak) At 400 Volts				19.00
B2(b) - TOU (Off-Peak) At 400 Volts			400	14.30
B3 - TOU (Peak) All Loads Up To 5000 kW At 11/33 kV	120	14.10		19.00
B3 - TOU (Off-Peak) All Loads Up To 5000 kW At 11/33 kV			360	14.20
B4 - TOU (Peak) All Loads 66/132 kv And Above				19.00
B4 - TOU (Off-Peak) All Loads 66/132 kv And Above			360	14.10
Total Industrial				
Single Point Supply (Bulk)				
C1 (a) Supply At 400/230 Volts Less Than 5 kW	120	15.00		15.50
C1 (b) Supply At 400/230 Volts - 5 kW & Up To 500 kW			400	15.00
Time Of Use (TOU) Peak				19.00
Time Of Use (TOU) Off Peak			400	14.50
C2 Supply At 11 Kv 33 Kv Up To And Including 5000 kW			360	14.80
Time Of Use (TOU) Peak				19.00
Time Of Use (TOU) Off Peak			360	14.30
C3 Supply At 66 Kv & Above			360	14.70
Time Of Use (TOU) Peak				19.00
Time Of Use (TOU) Off Peak			360	14.20
Total Bulk Supply				
Agricultural Tube wells - Tariff D				
Scro D-1 (a) Less Than 5 kW		17.50		15.00
Scro D-2 Agricultural Tube Well		12.50	200	14.50
Time Of Use (TOU)				
Scro D-3 And Agriculture 5 kW And Above Time Of Use (TOU) Peak				19.00
Scro D-3 And Agriculture 5 kW And Above Time Of Use (TOU) Off Peak			200	14.20
Total Agricultural Tube Well Tariff - D				
Public Lighting - Tariff - G		15.00		15.00
Burying Charges - H				15.00
Company Total				

In terms of Rule 5 of NEPRA (Tariff Standards & Procedures) Rules, 1998, any interested person who desires to participate in the proceedings may file an intervention request within seven days of the date of publication of this notice. Such an intervention request shall state the name and address of the person filing it, objections and the manner in which such person's or is likely to be substantially and specifically affected by any determination in the proceedings. The intervention request may also contain the contentions of the person filing it, the relief sought and the evidence, if any, in support of the case. In the intervention request, the intervenor may specifically admit, deny or explain the facts stated in the petition and may also state additional facts which are relevant and necessary for reaching a just and informed decision in the proceedings. The intervention request shall be signed and verified, and supported by means of an affidavit in the same manner as in the case of the petition. The intervenor shall also serve a copy of the intervention request duly attested as a true copy to the petitioner, or his authorized representative, and the petitioner may file a rejoinder to the intervention request which shall be filed within 7 days of receipt of copy of the intervention request.

Any person may also file comments on the matter within 7 days of publication and the Authority, if deems it fit, may permit participation of such person in the proceedings and may also consider those comments in the final determination.

All stakeholders and interested/affected persons are also informed that in order to arrive at a just and informed decision, the Authority has also decided to hold a hearing on the subject matter according to the date, time and venue mentioned below:

Date: March 22, 2016 (Tuesday)
Time: 11.00 a.m.
Venue: NEPRA Tower, G-5/1, Islamabad

communications should be addressed to

Registrar NEPRA
NEPRA Tower, G-5/1, Islamabad

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- | Description | Requested Tariff for the
FY 2015-16 | | NEPRA Determined Tariff
Pertaining to the FY 2014-15 | |
|---|--|-------------------------|---|-------------------------|
| | Fixed Charges
Rs./kVkm | Var. Charges
Rs./kVh | Fixed Charges
Rs./kVkm | Var. Charges
Rs./kVh |
| Residential - A1 | | | | |
| For Peak Load Requirement Less Than 5 kW | | | | |
| Up to 50 Units | | 2.00 | | 4.00 |
| 1-100 Units | | 12.62 | | 14.30 |
| 101-200 Units | | 16.10 | | 14.30 |
| 201-300 Units | | 18.30 | | 17.30 |
| 301-700 Units | | 17.00 | | 18.00 |
| Above 700 Units | | 18.50 | | 19.00 |
| For Peak Load Requirement 5 kW & Above | | | | |
| Time of Day (TOU) - Peak | | | | 19.00 |
| Time of Day (TOU) - Off-Peak | | 14.40 | | 14.50 |
| Total Domestic | | | | |
| Commercial - A2 | | | | |
| For Peak Load Requirement Less Than 5 kW | | 20.00 | | 19.00 |
| For Peak Load Requirement 5 kW & Above | | | | |
| Regular | 120 | 19.00 | 400 | 17.00 |
| Time of Day (TOU) - Peak | | | | 19.00 |
| Time of Day (TOU) - Off-Peak | 120 | 14.40 | 400 | 14.50 |
| Total Commercial | | | | |
| Industrial | | | | |
| B1 Up To 25 kW (400/230 Volts) | | 14.40 | | 15.00 |
| B1(b) Up To 25 kW (Peak) | | | | 19.00 |
| B1(b) Up To 25 kW (Off-Peak) | | | | 14.50 |
| B2(a) Exceeding 25-500 kW (400 Volts) | 120 | | 400 | 14.50 |
| B2(b) - TOU (Peak) At 400 Volts | | | | 19.00 |
| B2(b) - TOU (Off-Peak) At 400 Volts | | | 400 | 14.30 |
| B3 - TOU (Peak) All Loads Up To 5000 kW At 11/33 Kv | 120 | 14.10 | | 19.00 |
| B3 - TOU (Off-Peak) All Loads Up To 5000 kW At 11/33 Kv | | | 360 | 14.20 |
| B4 - TOU (Peak) All Loads 56/132 kv And Above | | | | 19.00 |
| B4 - TOU (Off-Peak) All Loads 56/132 kv And Above | | | 360 | 14.10 |
| Total Industrial | | | | |
| Single Point Supply (Bulk) | | | | |
| C1 (a) Supply At 400/230 Volts Less Than 5 kW | 120 | 15.00 | | 15.50 |
| C1(b) Supply At 400/230 Volts - 5 KW& Up To 500 kW | | | 400 | 15.00 |
| Time Of Use (TOU) Peak | | | | 19.00 |
| Time Of Use (TOU) Off Peak | | | 400 | 14.50 |
| C2 Supply At 11 Kv, 33 Kv Up To And Including 5000 kW | | | 360 | 14.80 |
| Time Of Use (TOU) Peak | | | | 19.00 |
| Time Of Use (TOU) Off Peak | | | 360 | 14.30 |
| C3 Supply At 66 Kv & Above | | | 360 | 14.70 |
| Time Of Use (TOU) Peak | | | | 19.00 |
| Time Of Use (TOU) Off Peak | | | 360 | 14.20 |
| Total Bulk Supply | | | | |
| Agricultural Tube wells - Tariff D | | | | |
| Scard D-1(a) Less Than 5 kW | | 17.50 | | 15.00 |
| D-2 Agricultural Tube Well | | 12.50 | 200 | 14.50 |
| Time Of Use (TOU) | | | | |
| Scrap And Agriculture 5 kW And Above Time Of Use (TOU) Peak | | | | 19.00 |
| Scrap and Agriculture 5 kW And Above Time Of Use (TOU) Off Peak | | | 200 | 14.20 |
| Total Agricultural Tube Well Tariff - D | | | | |
| Public Lighting - Tariff - G | | 15.00 | | 15.00 |
| Household Colonies - H | | | | 15.00 |
| Company Total | | | | |

۴۔ تمام اسکے بولنے اور طرہ امتداد اور ان کو کسی آگاہ کیا جاتا ہے کہ حقیقی کیلئے کیونچہ کیلئے اقداری کے احاطہ حوالہ میں سورج و زمین مقام، تاریخ اور وقت کے مطابق شمسی کے ساتھ دکانہ لیا گیا ہے۔

رجسٹرڈ نمبر
G-5/1 اسلام آباد