



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/TRF-373/TESCO-2016/13623-13625

August 3, 2017

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 2016-2017 [Case # NEPRA/TRF-373/TESCO-2016]**

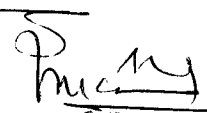
Dear Sir,

Please find enclosed herewith the subject Determination of the Authority along with Annexure-I, II, III, IV, V, VI, VII & VIII (64 pages) in Case No. NEPRA/TRF-373/TESCO-2016.

2. The Determination is being intimated to the Federal Government for the purpose of notification 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 & VIII of the Determination is to be notified in the official Gazette.

Enclosure: As above


03 08 17
(Syed Safer Hussain)

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-373/TESCO-2016

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

Islamabad

3rd

August , 2017

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
MoF	Market Operator Fee
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 2016-17**

CASE NO. NEPRA/TRF-373/TESCO-2016

PETITIONER

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

INTERVENER

NIL

COMMENTATOR

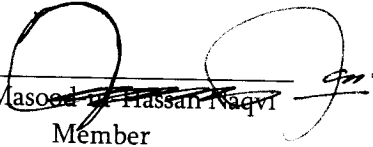
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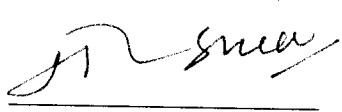
REPRESENTATION


- | | |
|----------------------------|--------------------------------|
| ▪ Engr. Dr. Zakaullah Khan | Chief Executive Officer |
| ▪ Mr. Abdul Haq | Dy. Manager Corporate Accounts |
| ▪ Mr. Fazli Wahab | Addl. Dy. Manager C/A |
| ▪ Mr. Tajamul Hussain | Addl. Dy. Manager C/S |

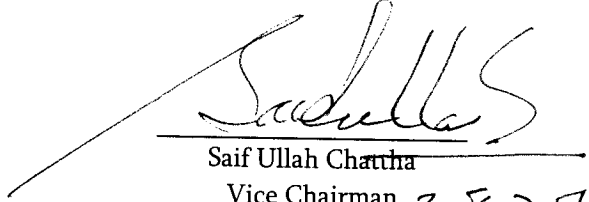


The Authority, in exercise of the powers conferred on it under Section 7(3) (a) read with Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, Tariff Standards and Procedure Rules, 1998 and all other powers enabling it in this behalf and after taking 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.

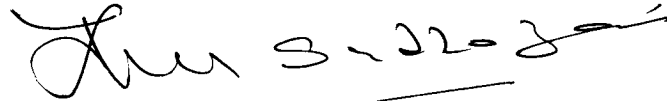

Syed Masood Hassan Naqvi
Member

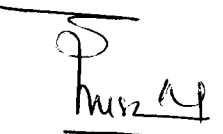

Maj (R) Haroon Rashid
Member

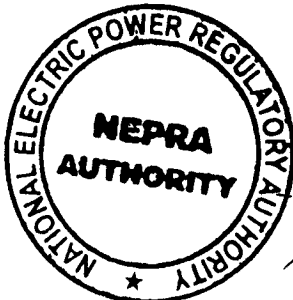

Himayat Ullah Khan
Member


Saif Ullah Chatha
Vice Chairman

3.8.2017


Brig (R) Tariq Saddozai
Chairman


03.08.17



1 BACKGROUND

- 1.1 Tribal Areas Electricity Supply Company Limited (TESCO), hereinafter called "the Petitioner", being a Distribution Licensee of NEPRA filed a petition dated December 14, 2016 for the determination of its consumer-end tariff pertaining to the FY 2016-17 in terms of Rule 3(1) of Tariff Standards & Procedure Rules-1998 (hereinafter referred as "Rules").

2 RELIEF SOUGHT

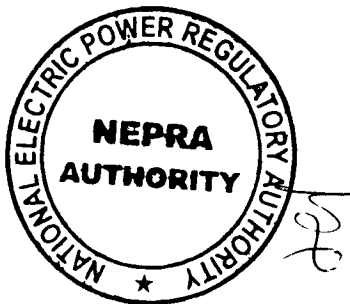
- 2.1 The Petitioner has sought the following reliefs:
- Ensuring the financial viability for the reliable supply of electricity to its 0.441 million consumers;
 - Determination of Tariff along with its monthly adjustments or annual adjustments as proposed, providing sufficient time to the Petitioner 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.3,028 million as Distribution Margin;
 - 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 4th January, 2017. 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 29th March 2017 and separate notices were also sent to the parties which were considered to be affected or interested. Comments /replies and filing of intervention petition were desired from any interested person within 7 days of the publication.

4 FILING OF OBJECTIONS/ COMMENTS:

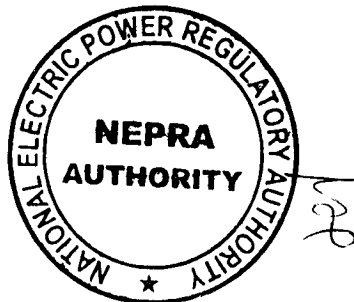
- 4.1 Comments/replies and filing of Intervention Request (IR), if any, were desired from the interested person/ party within 7 days of the publication of notice of admission in terms of Rule 6, 7 & 8 of the Rules. In response thereof no comments/ intervention requests were received.



5 FRAMING OF ISSUES

5.1 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 12th April, 2017 at NEPRA Tower G-5/1 Islamabad. Notices of hearing were published in the leading newspapers on March 29, 2017. 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 2015-16.
- Whether the projected energy purchases and sales for the FY 2016-17 is reasonable?
- Whether the projected power purchase cost for the FY 2016-17 is justified?
- Whether the requested Transmission & Distribution losses of 19.93% for the FY 2016-17 is reasonable?
- Whether the projected O&M cost for the FY 2016-17 is justified?
- Whether the requested R&M cost of Rs.36 million @ 0.9% of the net fixed assets, included in the O&M cost, is justified?
- Whether the proposed depreciation charges for the FY 2016-17 is justified?
- Whether the projected other income for the FY 2016-17 is reasonable?
- Whether the prior year adjustment workings related to FY 2015-16 are accurate?
- Whether the projected Return on Regulatory Asset base (RORB) @ 11.25% WACC for the FY 2016-17 is justified?
- Whether the request of allowing Financial Cost as a separate item along-with WACC is justified?
- Whether the requested wheeling charges, merits consideration?
- Whether the proposed Investment Plan for the FY 2016-17, is justified, keeping in view the prospective benefits?
- Whether the request to make revision in the determined revenue requirement owing to difference in actual inflation vs. forecasted inflation is justified?



- Whether the tariff petition substantially complies with NEPRA Determination of Consumer-end Tariff (Methodology and Process) Guidelines, 2015?
- Whether the proposed revenue requirements and average sale rate for the FY 2016-17, is justified?
- Any other issue that may come up during the hearing or afterwards?

6 HEARING

6.1 The Hearing was held as per the schedule i.e. 12th April 2017 at NEPRA Tower Islamabad. The Petitioner was represented by its Chief Executive Officer along with his Financial and Technical team.

6.2 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 as under.

7 Issue # 1: Whether the petitioner has complied with the directions of the Authority given in the tariff determination for the FY 2015-16.

7.1 The Authority issued several directions in the tariff determination for the FY 2015-16. The compliance of which are discussed under relevant heads. However, few of the directions are discussed below;

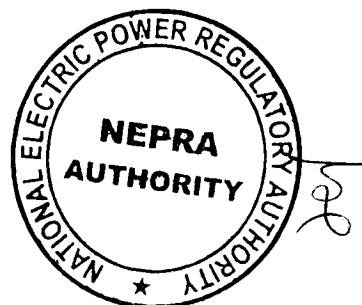
7.2 To complete the process of separation of feeders from PESCO by 30 June, 2016.

7.2.1 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.

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

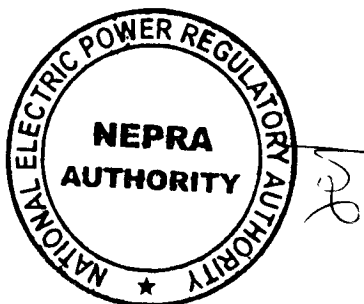
7.2.3 During the tariff determination process for the FY 2014-15, the Petitioner did not provide any update on the issue, therefore, the Authority in the tariff determination for the FY 2014-15 again directed the Petitioner to share its latest communication in this regard and prepare a comprehensive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

7.2.4 During hearing of the petition pertaining to the FY 2015-16, 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

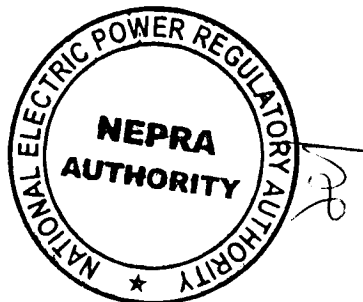


process. Similarly during hearing of the instant petition i.e. FY 2016-17, the petitioner again submitted that Funds have been arranged for separation of feeders and the remaining 06 No feeders are under process of separation.

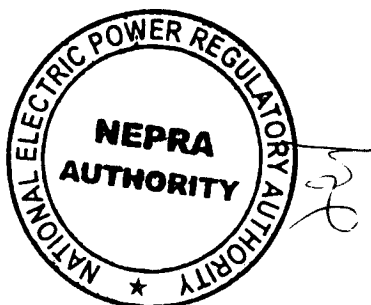
- 7.2.5 The Authority observed the lackluster progress by the Petitioner in the matter as still the six number feeders are pending separation. The Authority therefore directs the Petitioner to ensure completion of separation of its feeders from PESCO by December 31, 2017. In case of failure, the Authority may initiate proceedings against the Petitioner under the relevant rules.
- 7.3 **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 30 June, 2016.**
- 7.3.1 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 the tariff determination of FY 2013-14, to install TOU meters for the consumer categories having sanctioned load of 5 KW and above. The Petitioner was further directed 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.
- 7.3.2 The Petitioner vide its letter 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. During hearing of the tariff petition for the FY 2014-15, it was submitted by the Petitioner that due to worst law and order situation it was not possible to install TOU meters on all connections and requested for an extension in time for the installation/replacement of TOU meters.
- 7.3.3 The Authority in view thereof, in its tariff determination for the FY 2014-15, directed the Petitioner to provide the actual figures 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.
- 7.3.4 Owing to non-submission of the required information and the comprehensive plan for the installation of the ToU Meters, the Authority again, in the tariff determination for the FY 2015-16, directed the Petitioner, to provide the actual figures 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.



- 7.3.5 However, during hearing of the instant petition i.e. FY 2016-17, the Petitioner submitted that in first phase, it has installed 2,047 ToU meters out of 3,990 industrial consumers and rest are in process. However, no updates with respect to other consumer categories and any future plans regarding installation of ToU meters was provided. The Authority while appreciating the Petitioner efforts, whereby it has installed around 51% ToU meters for the Industrial consumers, directs the Petitioner to complete the process of installation of TOU meters for the remaining consumer categories by end of 30th June 2018 and also submit a comprehensive plan for the installation of the same by December 31, 2017.
- 7.4 **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.**
- 7.4.1 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 certain areas which are not easily accessible, were being billed on estimated basis as per the load factor and on the number of hours electricity 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.
- 7.4.2 The Petitioner vide its letter No. 446/CEO/TESCO/Accts dated 24th June, 2014, submitted that the study of its T&D losses was 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.
- 7.4.3 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.
- 7.4.4 The Petitioner vide its letter dated March 28, 2016 submitted that study has been started, however, no further details were provided.
- 7.4.5 During hearing of the instant Petition i.e. FY 2016-17, the Petitioner submitted that Power market survey study is completed and T&D loss study by third party (PPI) is in progress.

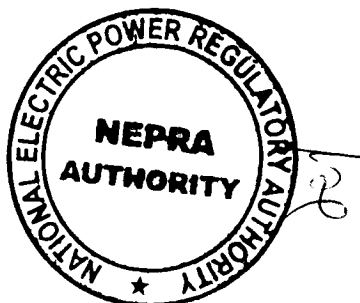


- 7.5 **To submit the details of the actual investments carried out during the FY 2014-15 along-with its corresponding benefits, not later than 30th June, 2016.**
- 7.5.1 The Petitioner requested an amount of Rs.613 million for the FY 2014-15, primarily to be financed through Capital Contribution/ Deposit Works, however, no break-up of the requested amount in terms of DOP, ELR, STG 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 along-with the corresponding benefits not later than June 30, 2016.
- 7.5.2 The Petitioner vide its letter dated March 28, 2016 submitted that no ELR /DOP fund is available in TESCO. No further details regarding actual investments were provided.
- 7.5.3 A review of the Financial Statements of the Petitioner for the FY 2014-15 revealed that a CAPEX of Rs.365 million was incurred by the Petitioner during the year.
- 7.5.4 Similarly for the FY 2015-16, the Petitioner was allowed an amount of Rs.2,186 million against which only Rs.809 million were utilized. Again no details of the actual CAPEX incurred for the FY 2015-16 has been provided.
- 7.5.5 Keeping in view the quality of compliance, the Authority again directs the Petitioner to provide details of the actual investments carried out during the FY 2014-15 and FY 2015-16 along with their corresponding benefits, not later than December 31, 2017.
- 7.6 **The Authority 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.**
- 7.7 **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.**
- 7.7.1 Considering the overall liquidity position in the power sector and in order to ensure that the Petitioner fulfills 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 International Accounting Standard-19 (IAS-19).
- 7.7.2 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

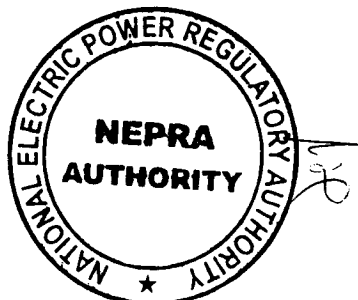


comply with the direction of the Authority and was again directed to get the actuarial valuation of its post-retirement benefits and on parallel basis create a separate independent post retirement fund.

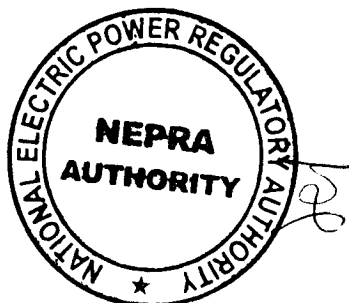
- 7.7.3 The Petitioner in its letter dated March 28, 2016 submitted that it would submit the progress in this regard shortly, however, no further, updates were provided by the Petitioner in the matter.
- 7.7.4 The Authority in view of non-compliance by the Petitioner, again in tariff determination for the FY 2015-16 directed the Petitioner to get actuarial valuation of its post-retirement benefits and create a separate independent post retirement fund not later than 30th June, 2016.
- 7.7.5 The Petitioner during hearing of the instant Petition i.e. FY 2016-17 has submitted that firm is being engaged for the purpose.
- 7.7.6 The Authority in view of the above discussion, directs the Petitioner to ensure completion of actuarial valuation of its post-retirement benefits and creation of separate independent post retirement fund latest by December 31, 2017, failing which the Authority may initiate proceedings against the Petitioner under the relevant rules.
- 7.8 To segregate the cost between travelling and vehicle maintenance cost**
- 7.8.1 While examining the audited accounts of the Petitioner for the FY 2012-13, it was 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, in the tariff determination for the FY 2014-15 to segregate the cost from the next year's financial statements.
- 7.8.2 The Petitioner although submitted vide its letter dated March 28, 2016 that compliance has been made, however, no such segregation was available in the financial statement for the FY 2014-15. The Authority while taking serious notice of this incorrect statement by the Petitioner again directed it in the tariff determination for the FY 2015-16 to ensure compliance of the Authority's direction in true letter and spirit.
- 7.8.3 The Petitioner during hearing again mentioned that compliance of the Authority direction has been made, however, a review of the financial statements of the Petitioner for the FY 2015-16, reveals that although this bifurcation is available in the trial balance, however, no such segregation has been made in the notes to the financial statements. The Petitioner needs to understand that Trail Balance is for the Internal Consumption of the Auditee and is not available to the public.



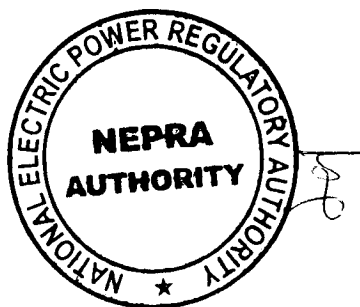
- 7.8.4 In view thereof the Petitioner is directed to ensure segregation of its cost between travelling and vehicle maintenance cost in the financial statements for the FY 2016-17.
- 7.9 **To disclose the amount of LPC separately in the accounts.**
- 7.9.1 The Authority while going through the Petitioner's 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 for future.
- 7.9.2 The Petitioner although submitted vide its letter dated March 28, 2016, that compliance was made, however, no such segregation was available in the financial statement for the FY 2014-15.
- 7.9.3 The Authority while taking serious notice of this incorrect statement by the Petitioner again directed it in the tariff determination for the FY 2015-16 to ensure compliance of the Authority's direction in true letter and spirit.
- 7.9.4 The Petitioner during hearing of the tariff petition for the FY 2016-17 again mentioned that compliance of the Authority direction has been made, however, a review of the financial statements of the Petitioner for the FY 2015-16, shows that although detailed break-up of the amount appearing under the head "Other income under energy tariffs", a head of "Surcharge levied", is available in the trial balance, however, no such segregation has been made in the notes to the financial statements. The Petitioner needs to understand that Trial Balance is for the Internal Consumption of the Auditee and is not available to the public.
- 7.9.5 In view thereof the Petitioner is directed to ensure disclosure of LPC amount separately in the accounts for the FY 2016-17.
- 7.10 **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.**
- 7.10.1 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 as on June 30 2014. The Authority showing its concerns on the piling up of payables, directed the Petitioner to come up with a workable plan in this regard. The Petitioner vide its letter dated March 28, 2016 submitted that compliance has been made, however, no such plan was made available to the Authority. The Authority during tariff proceedings for the FY 2015-16 noted that payables to PESCO further increased to Rs.29,672 million as on June 30, 2015.



- 7.10.2 Consequently the Petitioner was again directed in the tariff determination for the FY 2015-16 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.
- 7.10.3 The Petitioner during hearing of the instant tariff petition i.e. FY 2016-17 again submitted that compliance of the Authority direction has been made, however, no plan has been provided either with the Petition or afterwards.
- 7.10.4 The Authority has noted with great concern that the Petitioner's payables towards PESCO have increased to Rs.31,369 million as on June 30, 2016 and still no plan has been submitted to dispose off this liability.
- 7.10.5 Thus, in view thereof, the Petitioner is again directed to ensure compliance of the Authority's direction in true letter and spirit and provide a workable plan, with the consent of PESCO on the issue of payables which may ensure disposing of its liability in this regard latest by December 31, 2017.
- 7.11 **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.**
- 7.12 **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.**
- 7.12.1 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 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.
- 7.12.2 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.
- 7.12.3 The Petitioner vide letter dated March 28, 2016 submitted that the matter was taken up with GoP to pick-up FATA Receivables, however, no further update with respect to response of the GoP on the referred letter was provided. Subsequently, a review of the financial statements of the Petitioner for the FY 2014-15 revealed that its gross receivables increased to Rs.58,629 million;

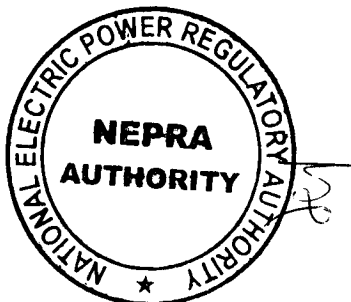


- 7.12.4 Keeping in view of the quality of compliance and the fact that receivables of the Petitioner were piling up, the Authority, in its tariff determination for the FY 2015-16, directed the Petitioner to come up with a concrete recovery plan and also to take up the matter at the level of Provincial and Federal governments for administrative, political and law enforcing agencies assistance. The Petitioner was further directed to provide the latest status/ update in the matter of letter written to GoP for information/ consideration of the Authority.
- 7.12.5 The Petitioner during hearing of the Petition for the FY 2016-17 has again reiterated that the matter has been taken up with GoP to pick-up FATA receivables, however, no further updates have been provided in the matter.
- 7.12.6 The Authority observed that gross receivables of the Petitioner have reduced from Rs.58,629 million as on June 30, 2015 to Rs.41,571 million as on June 30, 2016, thus, showing a reduction of around 29%. The Authority appreciates the Petitioner's effort in this regard; however, still the receivables are notably high.
- 7.12.7 In view thereof the Petitioner is again directed to come up with a recovery plan to recover the recurring amount and where relevant take up the matter to Provincial, Federal Governments, law enforcement agencies etc. The Petitioner is further directed to provide the latest status of correspondence with GoP for information/ consideration of the Authority within one month of this determination.
- 7.13 **To install meters on unmetered connections and at the same time start printing snap shots of the meter reading on the bills.**
- 7.13.1 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, to be implemented not later than 30th June, 2015 and sample bills should be shared with the Authority not later than 30th June, 2015.
- 7.13.2 The Petitioner did not provided any progress / update on the issue. The Authority being cognizant of the fact that the Petitioner's major consumption remains unmetered yet it has certain portion of connections which are metered, directed the Petitioner in the tariff determination for the FY 2015-16 to start printing snapshots of the meter reading. Further, on the unmetered connections the Authority was of the view that the Petitioner can start both activities simultaneously i.e. installing meters and then printing snap shots



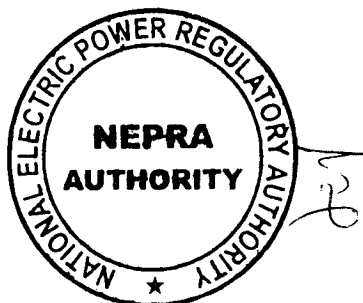
of the meter reading. In view thereof, the Petitioner was directed to install meters on unmetered connections and at the same time start printing snap shots of the meter reading on the bills.

- 7.13.3 The Petitioner during hearing of the instant Petition i.e. FY 2016-17 submitted that Snap shots of installed meter is in progress, however, no evidence in this regard has been shared with the Authority.
- 7.13.4 In view of the foregoing, the Authority again directs the Petitioner to ensure printing of snapshots of meter reading on bills which are metered and complete the process of installation of meters for the unmetered connections and printing of meter reading snapshots on the bills simultaneously. The Petitioner is further directed to share its progress in this regard with the Authority on quarterly basis. The Authority has noted with great concern that the Petitioner has not taken the directions of the Authority seriously which may lead to initiation of proceedings against the Petitioner under relevant rules.
- 7.14 **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.**
- 7.14.1 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.
- 7.14.2 The Petitioner did not provide any progress / update on the issue in its tariff petition for the FY 2015-16 neither its investment plan pertaining to the FY 2015-16 included any investment related to procurement of HHUs.
- 7.14.3 In view thereof, the Authority directed the Petitioner in the tariff determination for the FY 2015-16 to stagger its investment plan in stages, which would be in line with its plan of installing meters on non-metered connections. Thus, the Petitioner was directed to submit its investment needs in this regard along with the installation of meters, not later than 30th June, 2016.
- 7.14.4 The Petitioner during hearing of the instant petition i.e. FY 2016-17 submitted that meters are being purchased as per need basis, however, no progress with respect to purchase of HHUs has been provided. The Authority observed that despite its clear directions, the Petitioner has not provided any detailed investment plan for the FY 2016-



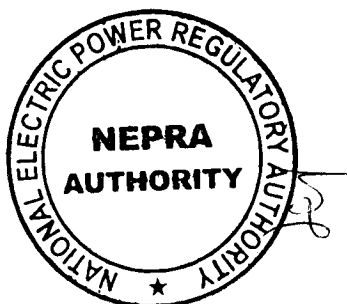
17 and an amount of Rs.971 million has only been requested for the development program which includes Rs.474 million as Capital Contribution and Rs.497 million on account deposit work. The Authority has taken a serious notice of this non-serious attitude of the Petitioner which may result in initiation of proceedings against the Petitioner under relevant rules.

- 7.14.5 Foregoing in view, the Authority again directs the Petitioner to stagger its investment plan in stages, which should be in line with its plan of installing meters on non-metered connections and should include HHUs, not later than December 31, 2017.
- 7.15 **To complete the installation of AMRs / AMIs System within the given time lines.**
- 7.15.1 The Authority considers that one of the key reasons for high transmission and distribution losses in the Petitioner Company 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 including the Petitioner to install AMR and AMI Systems. The Authority considered that such systems would also enable it in analyzing the Petitioner's 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.
- 7.15.2 The Petitioner during proceedings of the tariff petition for the FY 2015-16 submitted vide letter dated March 28, 2016 that work for installation of AMR and AMI at CDPs was 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 submitted that 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 stated that above 50% AMR have been installed at 11KV feeders.
- 7.15.3 During hearing of the instant Petition i.e. FY 2016-17, the Petitioner submitted that AMR system has been implemented in the area under FATA where communication is



available, however, no details with respect to number of AMR/AMIs installed at CDPs, 11kV Feeders and consumer level has been provided. The Authority considering the aforementioned response of the Petitioner, feels that the Petitioner's needs to put in serious efforts to complete the installation of AMRs/ AMIs System. The Petitioner is accordingly again directed to ensure installation of AMR/ AMIs latest by December 31, 2017.

- 7.16 **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.**
- 7.16.1 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 understands the fact 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 as a deduction from O&M of company level. 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, for which the Petitioner needs to provide rational / justification for improper utilization of the money because the consumers have to suffer unnecessary delays on this account.
- 7.16.2 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 and accordingly decided, in its tariff determination for the FY 2015-16, 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 also directed the Petitioner to ensure that in future consumer's deposits are not utilized for any other purpose and 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 was 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.
- 7.16.3 The Authority has observed that no such disclosure has been given by the Petitioner in its financial statements for the FY 2015-16 and decided to continue with the same



practice of including the whole amount of receipt against deposit work as part of deferred credit. In this view of the matter, the Petitioner is again directed to provide clear disclosure with respect to the consumer financed spares and stores, work in progress and cash & bank balance in financial statements for the FY 2016-17 onwards.

8 **Issue # 2: Whether the petitioner's projected energy purchases and sales for the FY 2016-17 is reasonable?**

9 **Issue # 3: Whether the projected power purchase cost for the FY 2016-17 is justified?**

9.1 The Petitioner in its petition has projected purchases of 1,419 GWh during the FY 2016-17 by assuming annual demand growth of 11.75% over the last year actual purchases of 1269 GWh, due to return of IDPs. The Petitioner has projected sales of 1,136 GWh by assuming T&D losses of 19.93% for the FY 2016-17 (*discussed separately in the ensuing paragraph*).

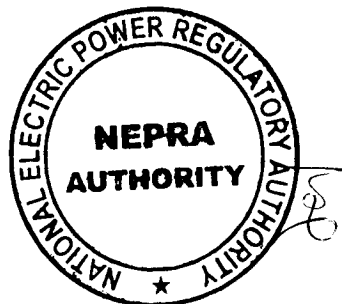
9.2 Following data regarding units received and sold for the FY 2015-16 and projected for the FY 2016-17 has been submitted by the Petitioner;

	Actual FY 2015-16	Projected FY 2016-17	% Increase
Units Received	1,269	1,419	11.75%
Units Sold	1,029	1,136	10.39%

9.3 The Petitioner has claimed to project its PPP based on the actual PPP for the FY 2015-16, which has been taken as Rs.8.45/ kWh for the year 2016-17 (unadjusted for losses). Accordingly, a total PPP of Rs.11,985 million has been projected for the FY 2016-17, however, no further details/ calculations have been provided in this regard by the Petitioner.

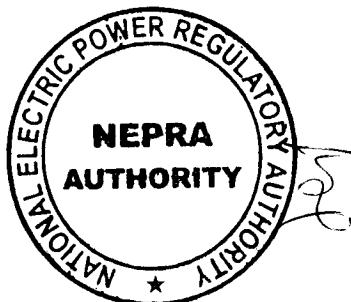
9.4 The Authority's determined, Consumer-end-Tariff (Methodology & Process) Guidelines, 2015, (herein referred to as "The Methodology") prescribes the submission of generation plan by NTDC and procurement plan by CPPA (G) and its approval by the Authority prior to the filing of the tariff petition by 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 2016-17 and onward, considered the power purchases and their corresponding cost as projected by the Petitioner, in its instant tariff petitions.

9.5 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 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 Schedule of Tariff (SoT) accordingly.

- 9.6 Since the tariff petitions for the FY 2016-17 from the remaining DISCOs, except QESCO, have not been received as yet, therefore, the Authority has decided to use the same Power Purchase Price (PPP) references as determined for the FY 2015-16 in the matter of the Petitioner and by adding therein the amount of Market Operation Fee of CPPA-G and the Power Purchases (GWh). This is being done in order to ensure similar fuel cost references in the matter of the Petitioner and the other XWDISCOs, in order to avoid inter XWDISCO variations in the monthly FCAs, in case the GoP notifies the latest available tariff determinations of the XWDISCOs. Here it is pertinent to mention that the tariff determination of XWDISCOs for the FY 2015-16 have not been notified by the Federal Government due to pending litigation in the High Court, however, the Petitioner and QESCO have not challenged their tariff determinations for the FY 2015-16 in the Court.
- 9.7 In view thereof, the total power purchase cost of the Petitioner for the FY 2016-17 has been assessed as Rs.13,330 million which includes Rs.8,475 million on account of EPP and Rs.4,856 million on account of overall fixed charges. With the projected purchase of 1,434 GWh for the same period, the average PPP turns out to be as Rs.9.2947/ kWh (Annex – IV). On the basis of 18.90% T&D losses, the PPP per kWh is assessed as Rs.11.46/kWh.
- 9.8 The CpGenCap, USCF and Market Operation Fee of CPPA-G for the FY 2016-17 i.e. Rs.4,299 million, Rs.547 million and Rs.10 million respectively translate into Rs.1,226 /kW/month or Rs.3.39/kWh. The overall fixed charges comprising of CpGenCap, USCF and Market Operation Fee of CPPA-G in the instant case works out as Rs.4,856 million.
- 10 **Issue # 4: Whether the requested Transmission & Distribution losses of 19.93% for the FY 2016-17 is reasonable?**
- 10.1 The Petitioner has requested T&D losses level of 19.93% for the financial year 2016-17, against the actual losses of 18.9% for the year 2015-16. 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.
- 10.2 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 during the hearing;

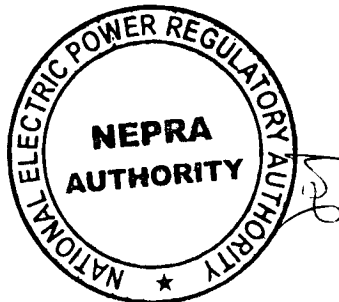
Technical

- Lengthy Transmission Lines
- Deteriorated status of conductors & transmission lines.
- Over loaded Grid System.
- Over loaded 11 KV feeders.
- Partially damaged distribution transformers.
- Locally repaired distribution transformers.
- Use of abnormal / excessive loads due to un-metered power supply
(Heaters in winter and ACs in summer).

Administrative

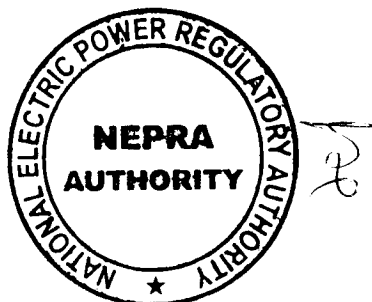
- Socio-Economic and culture issues.
- FATA Law & Order position (Terrorism and Sabotage activities).
- Non assistance of Political Administration.
- Consumers Mix.

- 10.3 The Authority has observed that the Petitioner's actual T&D losses for the FY 2015-16 remained at 18.9% which are 1.1% lower than the Authority's assessment of 20.00% for the same period. However, the Petitioner's requested level of T&D losses for the FY 2016-17 i.e. 19.93%, shows an increase of around 1.03% from its last year's actual 18.9%.
- 10.4 Since most of the Petitioner billing is unmetered, the Authority 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.
- 10.5 The Petitioner in its letter dated March 28, 2016 submitted that study has been conducted, however, no further details were provided.
- 10.6 In view of aforementioned, the Authority in its tariff determination for the FY 2015-16, directed the Petitioner to share TORs and technical details of the study already being undertaken and update the Authority on the latest progress of the study, as no ToRs got approved from the Authority. Hence the Petitioner was directed to mention completion dates of the study not later than 30th June, 2016.



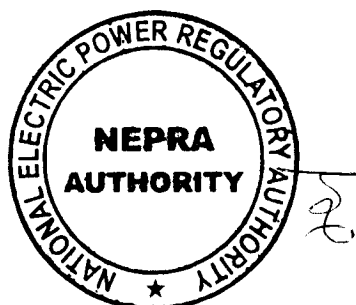
- 10.7 During hearing of the instant Petition i.e. FY 2016-17, the Petitioner submitted that Power market survey study is completed and T&D loss study by third party (PPI) is in progress.
- 10.8 The Authority has noted with great concern that despite its clear directions and even after lapse of more than three years, the Petitioner has neither shared the ToRs and technical details of the study already being undertaken with the Authority nor has provided any timelines for completion of the study. In this view of the matter, the Petitioner is finally directed to share TORs and technical details of the ongoing study and update the Authority on the latest progress of the study by September 30, 2017. In case of failure to comply with the Authority's direction, legal proceedings may be initiated against the Petitioner under relevant rules.
- 10.9 Although, the Petitioner has requested to allow 19.93% losses for the FY 2016-17, citing return of IDPs, however, the Authority has decided to limit the Petitioner's level of T&D losses for the FY 2016-17 as per its actual T&D Losses for the FY 2015-16 i.e. 18.9%, which includes 14.4% as technical losses and 4.50% on account of margin for the law and order situation. The Margin for the Law & Order situation has been reduced from 5.00% (as allowed in FY 2015-16) to 4.50% in FY 2016-17.
- 11 Issue # 5: Whether the projected O&M cost for the FY 2016-17 is justified?
- 12 Issue # 6: Whether the requested R&M cost of Rs. 36 million @ 0.9% of the net fixed assets, included in the O&M cost, is justified?
- 12.1 The Petitioner stated that its O&M expenses include salaries & wages, repair & maintenance, travelling, vehicle running and other expenses. The Petitioner projected an amount of Rs.2,720 million under O&M expenses in its petition for the FY 2016-17.
- 12.2 The Petitioner has projected its O&M cost by taking into account the impact of expected increase in inflation and announcement made by GOP in terms of salaries & wages and Pension benefits. The aforementioned amount of Rs.2,720 million also includes wheeling charges of Rs.1,840 million.
- 12.3 The Petitioner has projected O&M expenses around Rs.0.775 /kWh for FY 2016-17 (Rs.880 million) by excluding therein the impact of wheeling charges. Wheeling charges have been requested as Rs.1.62 /kWh (Rs.1,840 million) for the FY 2015-16. The summary of Petitioner's requested O&M expenses of Rs.2,720 million is given below: -

DESCRIPTION	MLN. Rs.	Rs./kWh
Pay & Allowances	631	0.56
Retirement Benefits	150	0.13
Repair & Maintenance	36	0.03



Travelling	22	0.02
Transportation	11	0.01
Other Expenses	30	0.03
Wheeling Charges	1,840	1.62
Total	2,720	2.39

- 12.4 The Petitioner stated that salaries, wages and employee's retirement benefits of Rs.781 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 and the WAPDA employees working in area electricity board Peshawar, gradually becomes employees of the Petitioner in terms of the man power transition plan, therefore, the 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's budgetary increase @ 10% in the head of pay and pension is applied for projection and 5% increase from December 2016 onward is also considered for projection of FY 2016-17. The Petitioner further submitted that employees' retirement benefits have been projected based on the average of annual increase in the last three years audited figures.
- 12.5 Here it is pertinent to mention that during FY 2015-16, the Petitioner was allowed Rs. 496 million on account of Pay & Allowances & other benefits (excluding post-retirement benefits) against which the actual expenditure as reported by the Petitioner is Rs. 507 million. The Authority while assessing the Pay & Allowances & other benefits (excluding post-retirement benefits, discussed below) of the Petitioner for the FY 2016-17, has considered the actual expenditure for the FY 2015-16 and also took into account the impact of GOP's budgetary announcement pertaining to FY 2016-17 including 10% increase as ad-hoc allowance, merging of ad-hoc relief of 2013, 2014 & 2015 in running basic pay as per GOP notification and the impact of annual increment.
- 12.6 By incorporating the abovementioned increases, the Authority has assessed Rs.562.46 million on account of salaries, wages and other benefits (excluding post-retirement benefits) of the Petitioner for the FY 2016-17.
- 12.7 **Post-Retirement Benefits**
- 12.7.1 Regarding post-retirement benefits, the Authority in its tariff determination of FY 2014-15 and FY 2015-16 directed the Petitioner to create a separate registered post retirement fund. The Petitioner during hearing of the instant Petition i.e. FY 2016-17 has mentioned that a firm is being engaged for the purpose. Considering the importance of the matter, the Petitioner is once again directed to ensure completion of actuarial valuation of its post-retirement benefits while finalizing its financial statement and create a separate independent post retirement fund latest by December 31, 2017, failing



of which the Authority may initiate proceedings against the Petitioner under the relevant rules.

12.7.2 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). However, the Petitioner has not provided any detail of the requested Rs. 150 million under the head of post-retirement benefit as if it is provision or actual payment to retirees. Further, the Petitioner neither in its instant petition nor in the financial statements for the FY 2015-16, has clearly indicated whether the amount of post-retirement benefits actually paid during the FY 2015-16 i.e. Rs.136.32 million is inclusive of the payments made to Ex-Wapda Pensioners or otherwise.

12.7.3 In view thereof the Authority has decided to restrict the amount of post-retirement benefits only to the extent of amount actually paid by the Petitioner during FY 2015-16 as per its financial statements, by applying thereon the GoP budgetary increase. Accordingly an amount of Rs.150 million is allowed to the Petitioner on account of postretirement benefits for the FY 2016-17 including payments for the Ex-Wapda pensioners.

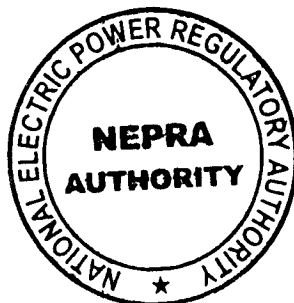
12.8 Repair & Maintenance Expenses

12.8.1 The Petitioner stated that it has projected its repair & maintenance expenses of Rs.36 million based on applying 0.90% of the net fixed assets of Rs.3,995 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.

12.8.2 The Authority considers that the Petitioner though requested to link the net fixed assets with the repair & maintenance cost, however, it failed to provide any justification with regard to the 0.9%. The Authority considers that if R&M cost has to be linked with GFAs then the key element would be the age of asset

12.8.3 The Authority in this regard has observed that the petitioner has not provided any data indicating the age of assets, and therefore it can be construed that proper Assets Tagging is not being carried out by the Petitioner. The Authority therefore directs the Petitioner to maintain a proper record of its assets by way of tagging each asset for its proper tracking.

12.8.4 Despite the aforementioned observations, 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 repair & maintenance for the FY 2016-17 keeping in view the actual expenditure of the Petitioner for the FY 2015-16 and by allowing therein an increase of 20%. Accordingly the R&M cost for the FY 2016-17 works out as Rs.27.20 million, which is hereby allowed.

12.9 Travelling Expenses

12.9.1 The Petitioner has requested an amount of Rs.22 million for the FY 2015-16 under the head of transportation. However, no further detail / rational of the requested amount has been provided.

12.9.2 The Authority allowed Rs.19 Million to the Petitioner for travelling during FY 2015-16 against which the Petitioner as per its draft financial statements has been able to spend only Rs.16.75 million. Therefore, 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, an amount of Rs.19.26 million under the head of traveling is hereby allowed to the Petitioner for the FY 2016-17.

12.10 Vehicle Running Expenses

12.10.1 The Petitioner has requested an amount of Rs.11 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.

12.10.2 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 DISCO. The Authority is also aware of the old / deteriorated vehicle conditions of the Petitioner and its vast distribution area. The Authority also noted that the Petitioner's actual expenditure under the head of vehicle repair & maintenance for the FY 2015-16 has been Rs.11 Million as per the financial statements. In view thereof and based on the available evidence/information, past trend, fuel price fluctuations and comparison with other XWDISCOs, the Authority has decided to allow the amount of Rs.11 million, as requested by the Petitioner, under the head of transportation for the FY 2016-17.

12.11 Other Expenses

12.11.1 The Petitioner requested Rs.30 million for the FY 2016-17, pertaining to the expenses like Management fee, Postage, telephone, NEPRA License & Tariff petition Fee, Insurance charges, Professional fees to lawyers, Photostat charges, cleaning material, office stationery, and others Miscellaneous charges.



12.11.2 Considering the Petitioner's past trend, actual expenditure for the FY 2015-16 and comparison with the other XWDISCOs, the Authority observed that the request of the Petitioner is reasonable. Accordingly, the Authority has decided to allow the amount of Rs.30 million to the Petitioner, as requested, under this head for FY 2016-17.

12.12 Wheeling Charges

12.12.1 The Petitioner in its instant petition has requested an amount of Rs.1,840 million on account of wheeling charges. However, no further working/ supportive evidence and justification has been provided by the Petitioner.

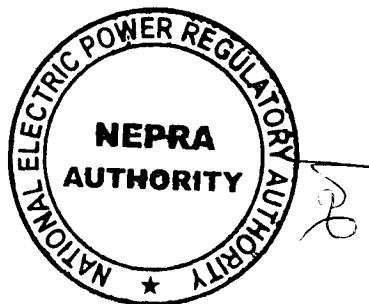
12.12.2 The Authority in order to address the issue held two meetings i.e. on 16th January and 1st April, 2014 involving representatives of TESCO, PESCO, MEPCO, CPPA-G and the professionals of NEPRA.

12.12.3 The Authority was concerned that whether the invoicing of CPPA-G properly allocates the costs of PPP to the respective DISCOs involved in wheeling. Representative of CPPA-G clarified and assured that the CPPA-G 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-G. 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-G 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.

12.12.4 The Authority after considering the arguments of CPPA-G, 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

12.12.5 On the issue of CPPA-G invoicing to TESCO; CPPA-G 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-G up to 15th of each month.

12.12.6 In view of above discussion and the principle decision made in the Authority's earlier decision of PESCO (dated 12th March, 2007) at Para 21, the Authority directed CPPA-G 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.

12.12.7 The Petitioner would continue to make payments for Wheeling Charges to PESCO and the same has been allowed to Petitioner in the determination. Concerning the payables already appearing on the TESCO's balance sheet, the Authority directed the Petitioner to come up with a workable plan, with the consent of PESCO. The matter of payable has already been discussed in detail under the direction part.

12.12.8 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 2016-17;

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

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

$$L = 26\%$$

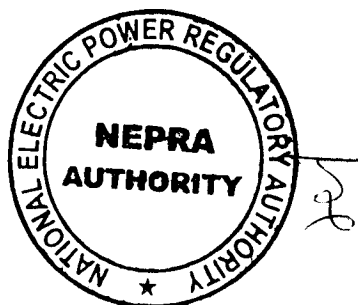
AFI (TD) = Adjustment Factor for Investment at both 132 kV and 11 kV level i.e. 63%

12.12.9 Consequently, the amount of wheeling charges amounts to Rs.1,323 million against the requested sum of Rs.1,840 million by the Petitioner.

12.12.10 CPPA (G) on the issue of Wheeling informed (through email dated 21st September, 2015) that the issue may be resolved through NEPRA. In view thereof, the Authority decided to conduct a meeting on the subject matter with all the stakeholders. The meeting was held on June 2016, which attended by the representatives of XWDISCOs. NTDCL/CPPA-G, wherein it was decided that XWDISCOs in consultation with CPPA-G would submit a formal proposal in this regard to the Authority for its consideration. The Authority, however, till date has not yet received any such proposal. In view thereof, the Authority directs the Petitioner and CPPA-G to submit the required proposal to the Authority not later than December 31, 2017 for Authority's consideration. The Authority would also direct the relevant DISCOs to do the same.

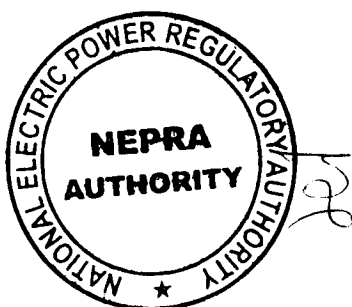
13 Issue # 7: Whether the proposed depreciation charges for the FY 2015-16 is justified?

13.1 The Petitioner in its instant petition requested an amount of Rs.213 million under the head of depreciation. The Petitioner submitted that depreciation for FY 2016-17 is



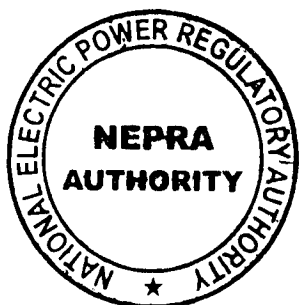
calculated on the basis of the value of existing Assets plus the additions in assets during the FY 2016-17. As per the Petitioner, the assets are depreciated on straight line method as per utility practice. However, no further justification has been provided by the Petitioner.

- 13.2 In order to make fair assessment, the Authority has considered the investments approved by it for the Petitioner for the FY 2016-17 and the amount to be capitalized out of the allowed investments. After taking into account the new capitalization to be made during the FY 2016-17, the Authority observed the amount requested by the Petitioner under Depreciation as reasonable and accordingly the same i.e. Rs.213 million is allowed for the FY 2016-17.
- 13.3 The Authority also has assessed, after carefully examination of the relevant details and information pertaining to the deferred credit and amortization as per the accounts for the FY 2015-16, amortization of deferred credit to the tune of Rs.169 million for the FY 2016-17, which will be adjusted from the total revenue requirement of the Petitioner through other income. Thus, consumers would bear a net depreciation of Rs.44 million.
- 14 Issue # 8: Whether the projected Return on Regulatory Asset base (RORB) @ 11.25% WACC for the FY 2016-17 is justified?
- 15 Issue # 9: Whether the request of allowing Financial Cost as a separate item along-with WACC is justified?
- 15.1 The Petitioner in its Petition for the FY 2016-17 projected RORB of Rs.434 million (against last year assessment of Rs.287 million) based on rate of return of 11.25% (against last year assessment of 11.83%). However, during hearing of the instant Petition, the Petitioner revised its rate of return to 11.83%, although amount of return was kept same i.e. Rs.434 Million. The Petitioner provided the following table in this regard during the hearing;



Description	Rs. in Millions			
	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Projected
Gross Fixed Assets in Operation - Opening Balance	4,927	5388	5998	6333
Addition in Fixed Assets	461	610	335	497
Gross Fixed Assets in Operation - Closing Balance	5388	5998	6333	6830
Less: Accumulated Depreciation	-2,228	2419	2622	2835
Net Fixed Assets in Operation	3160	3579	3711	3995
Add: Capital Work In Progress - Closing Balance	2599	2355	2829	3303
Investment in Fixed Assets	5759	5934	6540	7298
Less: Deferred Credits	-2378	-2810	2975	3140
Regulatory Assets Base	3381	3125	3565	4158
Average Regulatory Assets Base	3354	3253	3345	3668
Rate of Return	11.25%	11.25%	11.25	11.83
Return on Rate Base	377	366	395	434

- 15.2 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. Accordingly for the purpose of assessment of WACC of the Petitioner for the FY 2016-17, the Authority in accordance with the approved methodology has decided to consider the capital structure of 70:30 (debt:equity) ratio.
- 15.3 The Authority observed that for the FY 2015-16, the Petitioner was allowed RoE of 16.67%, wherein the Market Risk Premium was considered as 7% with a Beta of 1.10 and Risk Free Rate was allowed as 8.9652%.
- 15.4 The Authority understands that there being no major change in the economic indicators of the country in term of Risk Free rate and the Market Risk premium as compared to FY 2015-16, therefore, the RoE allowed to the Petitioner for the FY 2015-16 still holds good. Accordingly, for the FY 2016-17, the Authority has decided to allow ROE of 16.67%.
- 15.5 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%. For the FY 2015-16, the Authority considering the future privatization policy of GoP, used a forward looking approach for estimating the cost of debt and allowed cost of debt of 9.76% for the FY 2015-16, based on 3 month's KIBOR of 7.01% as of 2nd July 2015 + 2.75% spread.

- 15.6 To have a fair assessment of the cost of debt for the FY 2016-17, the Authority has decided to take into account the latest KIBOR i.e. as of June 30, 2017 which is to 6.05%, reduced by around 96 Basis points as compared to 7.01% for the last year. Thus, by allowing the same spread i.e. 2.75% and by taking into account the new KIBOR i.e. 6.01% as of June 30, 2017, the cost of Debt works out as 8.80%.
- 15.7 Consequent to the aforementioned discussion, the Authority has re-worked the WACC as below;

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

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

$$WACC = \{16.67\% \times 30\% \} + \{8.80\% \times 70\% \} = 11.16\%$$

- 15.8 Accordingly by using rate of return of 11.16%, the Authority has assessed Rs.241 million as return on rate base as per the following calculations:

Description	Rupees in Million	
	FY 2015-16 Actual	FY 2016-17 Projected
Opening fixed assets in operation	5,999	6,339
Assets Additions during the year	340	408
Closing Fixed Assets in Operation	6,339	6,747
Less: Accumulated Depreciation	2,628	2,871
Net Fixed Assets in operation	3,711	3,876
+ Capital Work in Progress (Closing)	2,829	3,392
Total Fixed Assets	6,540	7,268
Less: Deferred Credit	4,259	5,230
Total	2,281	2,038
Average Regulatory Assets Base		2,160
Return on Rate Base @ 11.16%		241

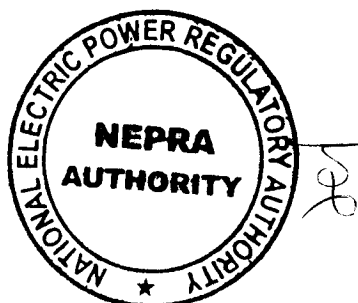


16 **Issue # 10: Whether the Petitioner's proposed Investment Plan for the FY 2016-17, is justified, keeping in view the prospective benefits?**

- 16.1 The Petitioner in its petition has requested an investment of Rs.971 million for the FY 2016-17 as detailed hereunder;

GROSS	2016-17 (Rs. in Mln.)
Capital Contribution	474
Deposit Work	497
Total investment	971

- 16.2 The Authority observed that the Petitioner has neither submitted its five year IGTDP nor provided any details in respect of the nature of works to be carried out with the requested investments. The Authority observed that for the FY 2015-16, the Petitioner was allowed an amount of Rs.2,186 million against which only Rs.809 million were utilized, and no details of the actual CAPEX incurred has been provided. Again for the requested amount of Rs.971 million for the FY 2016-17, the Petitioner did not submit any break-up in terms of projects to be carried out and their completion time frame. However, keeping in view the system constraints faced by the Petitioner and the fact that the proposed investments would be consumer financed, the Authority has decided to allow the requested amount as such. Accordingly, the amount of Rs.971 million is allowed under the head of Investments for the FY 2016-17. 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.
- 16.3 The Authority also 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 and may dilute the impact of all the investments being made by the Petitioner. 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.
- 16.4 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 be undertaken without augmentation of the grid only, if it already has spare MVAs.

17 Issue # 11: Whether the request of allowing Financial Cost as a separate item along-with WACC is justified?

17.1 The Petitioner has claimed financial charges amounting to Rs.42.99 million, as part of its total revenue requirement for the FY 2016-17, in addition to the WACC. However the Petitioner did not provide any detail or justification to the nature of these requested financial charges. The Petitioner also mentioned that its actual financial charges for the FY 2015-16 were Rs.37 million.

17.2 The Authority observes 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. Thus, the request of the Petitioner for allowing financial charges separately does not merit consideration.

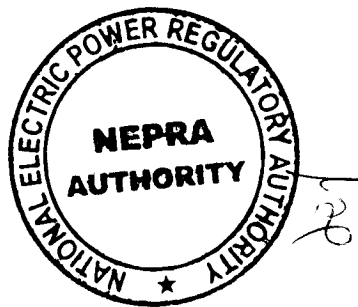
18 Issue # 12: Whether the prior year adjustment workings related to FY 2015-16 are accurate?

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 keeping in view the available information and doing its own due diligence has worked out the following PYA of the Petitioner for the FY 2016-17;

Description		Rs. Million
A: Bi-Annual Adjustment		
	Notified reference PPP during the FY 2015-16	19,206
Add;	1st Bi-Annual PPP adjustment pertaining to the FY 2015-16 (Jul-Dec)	(3,323)
Add;	2nd Bi-Annual PPP adjustment pertaining to the FY 2015-16 (Jan-Jun)	(1,931)
Less;	Regulated PPP recovery on notified rates during the FY 2015-16	13,935
	Unrecovered / Over Recovered Cost For FY 2015-16	17
B: Other Components Adjustment		
	Assessed Distribution Margin for the FY 2015-16	1,862
	Assessed PYA for the FY 2015-16	943
Less;	Regulated DM recovery on notified rates during FY 2015-16	2,401
Less;	Regulated PYA recovery on notified rates during FY 2015-16	-
	Unrecovered / Over Recovered Cost For FY 2015-16	404
	A+B = Total Unrecovered/ (Over recovered)	421
Add;	Net impact of assessed & actual Other Income for the FY 2015-16	363
Add;	Impact of Consumer – Mix Variance for the FY 2015-16	25
Add;	Impact of Negative FPA (300 Units+ Agriculture+ Life Line)	-
C: Sub-Total		
	A+B+C = Net PYA Unrecovered / (Over Recovered)	809



- 18.2 Here it is pertinent to mention that considering the delayed tariff determination of TESCO for the FY 2015-16, owing to late submission of tariff petition, the Authority vide its decision dated July 04, 2016 in the matter of Biannual Adjustment regarding Power Purchase Price (PPP) and Annual adjustment on account of PYA pertaining to FY 2015-16, decided to allow the impact of PPP and PYA pertaining to the period from June 2015 till May 2016, ensuring timely recovery of the same, thus, making the consumer end tariff more predictable for the consumer's as well as utility as provided in under rule 17(3) of the Tariff Standards and Procedures, Rules 1998. Consequent thereupon, the Schedule of Tariff of TESCO was revised after incorporating therein the impact of mentioned above adjustments.
- 18.3 However, the tariff of TESCO determined for the FY 2015-16 and the subsequent biannual adjustment decision dated July 04, 2016 could not get notified due to pending litigation in the Islamabad High Court in the matter of other XWDISCOs.
- 18.4 Considering the fact that FY 2015-16 has already lapsed, the Authority has decided to include the impact of any over/under recovery on account of PPP, assessed Distribution Margin & previously allowed prior year adjustment along-with other relevant adjustments pertaining to the FY 2015-16 i.e. from July 2015 to June 2016, as Prior Year Adjustment, in the tariff determination for the FY 2016-17.
- 18.5 The Authority in line with the policy guidelines of the GoP with respect to the Fuel Charges Adjustment, issued by the MoWP vide its letter No.5-PF/02/2013-Subsidy dated May 21, 2015, has decided not to adjust the impact of negative FCA across different consumer categories, as it was doing in the past. Accordingly, the impact of negative FCA not passed on to the lifeline consumers, domestic consumers (consuming up to 300 units) and Agriculture Consumers during the FY 2015-16 amounting to Rs.1,953 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 pertaining to the FY 2015-16, thus 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 # 13: Whether the tariff petition substantially complies with NEPRA Determination of Consumer-end Tariff (Methodology and Process) Guidelines, 2015?**

- 19.1 The Authority has observed several deviations from the minimum filing requirements indicated in the Methodology particularly with respect to CoSS, IGTDP, 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 may not be entertained.

20 **Issue # 14: Whether the projected other income for the FY 2015-16 is reasonable?**

- 20.1 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.364 million for the FY 2016-17. However, the Petitioner has not provide any rational and justification for the projected figure.
- 20.2 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 considering the Petitioner's previous trend, considers the amount requested by the Petitioner as reasonable and accordingly other income of Rs.364 Million same is hereby allowed for FY 2016-17.
- 20.3 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.
- 20.4 However, as per the draft financial statements of the Petitioner for the FY 2015-16, no amount has been recovered/ charged under the head of Surcharges Levied, thus the entire amount of Rs.364 million as requested by the Petitioner is being assessed as Other Income.
- 20.5 Here it is pertinent to mention that for the FY 2015-16, the Authority while determining the Revenue Requirement of the Petitioner for the FY 2015-16, did not include an amount of Rs.563 million in the other income on account of "surcharge levied" by the Petitioner, in line with the aforementioned decision. The Authority noted that CPPA-G has still not raised any invoice to the Petitioner on account of late payment charges



pertaining to the FY 2015-16, therefore, the amount of Rs.563 million shall be adjusted once the CPPA-G raises the late payment invoice.

21 Issue # 15: Whether the request to make revision in the determined revenue requirement owing to difference in actual inflation vs. forecasted inflation is justified?

21.1 The Petitioner submitted that for working out its distribution margin, forecasted unit sales, operating expenses, depreciation, investment and return on investment (cost of capital) have been considered. Revisions may be made to the revenues within that period if actual inflation is different from forecast.

21.2 The Authority observed that while assessing the Petitioner's Distribution Margin i.e. operating expenses, depreciation, return on investment etc., it takes into account the prudently incurred costs and by applying therein the GoP announced increases and inflationary impact, the Distribution margin is assessed. Any upward or downward variance in the allowed/ assessed distribution margin vis a vis actual costs incurred by the Petitioner is borne / retained by the Petitioner. Thus, the Petitioner's request to make revision in the determined revenue requirement owing to difference in actual inflation vs. forecasted inflation is not justified.

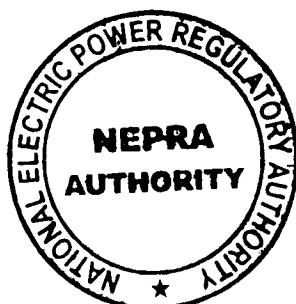
22 Issue # 16: Whether the proposed revenue requirement and average sale rate for FY 2016-17, is justified?

22.1 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

22.2 Based on the assessments made in the preceding paragraphs the Revenue Requirement for the FY 2016-17 is assessed as per the following details;

1.	Power Purchase Price	Rs. 13,330 Million
	CpGenE	Rs. 8,475 Million
	CpGenCap	Rs. 4,299 Million
	USCF	Rs. 547 Million
	MOF	Rs. 10 Million
2.	Distribution Margin –Net (D.M)	Rs. 2,212 Million



O&M Cost Rs. 2,122 Million
(Including Wheeling Payable to PESCO)

Depreciation Rs. 213 Million
RORB Rs. 241 Million
Gross DM Rs. 2,576 Million
Less: Other Income Rs. 364 Million

Prior Year Adjustment Rs. 809 Million
Total Assessed Revenue Requirement Rs. 16,352 Million

22.3 Based on the projected sales of 1,163 GWh for the FY 2016-17, the Petitioner's average sale rate works out as Rs.14.06/kWh, consisting of Rs.11.46 /kWh of adjusted PPP, Rs.1.90 /kWh of DM and Rs.0.70 /kWh of Prior Year Adjustment.

22.4 This revenue would be recovered from the consumers during the FY2016-17, through the projected sales of 1,163 GWhs, as per Annex – II.

23 ORDER

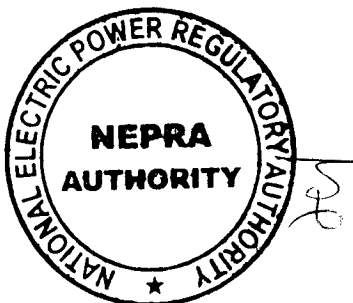
23.1 From what has been discussed above, the Authority hereby determines the tariff of the Petitioner Company for the Financial Year 2016-17 as under :-

- 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:

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 2016-17 is set at Rs.2.22/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.51%

AFI (D) = Adjustment factor for investment at 11 kV level i.e. 28%.

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

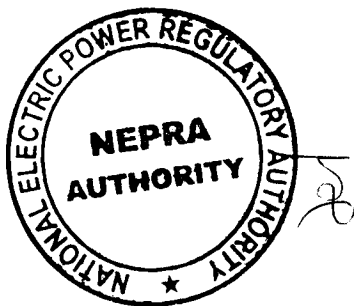
- IV. The residential consumers will be given the benefit of only one previous slab.
- V. T&D losses target of 18.90% has been assessed for TESCO for the FY 2016-17.
- VI. Total investment of Rs.971 million has been approved.
- VII. The Order part, Annex-I, II, III, IV, V, VI, VII and VIII annexed with determination is intimated to the Federal Government for notification in the official gazette under Section 31(4) of the NEPRA Act.
- VIII. 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 2016-17.

TARIFF COMPONENT	Assessed Cost FY 2016-17	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.
Market Operator Fee (MoF)	10	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	18.90%	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	2,212		
O&M Cost			
Salaries, wages & other benefits	563	Annually	On the basis of next year tariff petition.
Post-Retirement benefits	150	---do---	---do---
Repair and Maintenance	27	---do---	---do---
Other operating expenses (Including wheeling charges)	1,383	---do---	---do---
Depreciation	213	---do---	---do---
Return on Rate Base	241	---do---	---do---
Other Income	(364)	---do---	---do---
Prior Year Adjustment	809	---do---	---do---



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

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

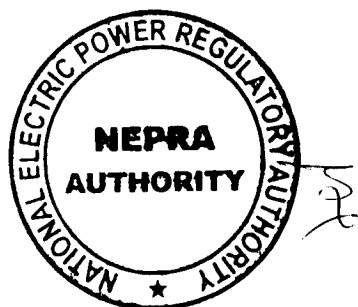
Where:

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;

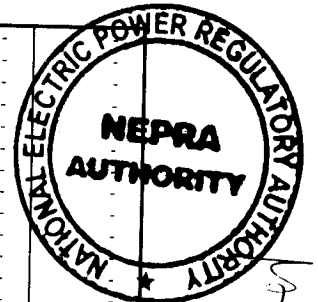
The fuel price adjustment determined by the Authority shall be shown separately in the bill of the consumer and the billing impact shall be worked out on the basis of consumption by the consumer in the respective month.



Anexx - II

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

Description	Sales		Tariff		Revenue		
	GWh	% Mix	Fixed Charge	Variable Charge	Fixed Charge	Variable Charge	Total
			Rs./kW/ M	Rs./ kWh		Min. Rs.	
Residential							
Up to 50 Units	11	0.93%		4.00	-	43	43
For peak load requirement less than 5 kW							
01-100 Units	247	21.28%		11.50	-	2,845	2,845
101-200 Units	139	11.91%		13.80	-	1,911	1,911
201-300 Units	220	18.88%		14.80	-	3,249	3,249
301-700 Units	251	21.60%		15.20	-	3,818	3,818
Above 700 Units	125	10.72%		16.00	-	1,994	1,994
For peak load requirement exceeding 5 kW)							
Time of Use (TOU) - Peak	0	0.00%		16.00	-	-	-
Time of Use (TOU) - Off-Peak	0	0.00%		11.50	-	-	-
Temporary Supply	0	0.00%		16.00	-	1	1
Total Residential	992	85.31%				13,861	13,861
Commercial - A2							
For peak load requirement less than 5 kW	7	0.57%		16.00	-	106	106
For peak load requirement exceeding 5 kW							
Regular	0	0.00%	400.00	14.00	-	-	-
Time of Use (TOU) - Peak	0	0.00%		16.00	-	-	-
Time of Use (TOU) - Off-Peak	0	0.00%	400.00	11.50	0	0	0
Temporary Supply	0	0.00%		16.00	-	-	-
Total Commercial	7	0.57%			0	107	107
General Services-A3							
Industrial	35	3.00%	-	15.80	-	551	551
B1	11	0.92%		12.00	-	128	128
B1 Peak	0	0.00%		16.00	-	-	-
B1 Off Peak	0	0.00%		11.50	-	-	-
B2	15	1.29%	400.00	11.50	27	172	199
B2 - TOU (Peak)	0	0.00%		16.00	-	-	-
B2 - TOU (Off-peak)	0	0.00%	400.00	11.30	-	-	-
B3 - TOU (Peak)	13	1.16%		16.00	-	215	215
B3 - TOU (Off-peak)	27	2.35%	380.00	11.20	45	307	352
B4 - TOU (Peak)	0	0.00%		16.00	-	-	-
B4 - TOU (Off-peak)	0	0.00%	360.00	11.10	-	-	-
Temporary Supply	0	0.00%		12.00	-	0	0
Total Industrial	66	5.72%			72	822	894
Single Point Supply for further distribution							
C1(a) Supply at 400 Volts-less than 5 kW	1	0.07%		12.50	-	10	10
C1(b) Supply at 400 Volts-exceeding 5 kW	7	0.61%	400.00	12.00	12	85	98
Time of Use (TOU) - Peak	0	0.00%		16.00	-	-	-
Time of Use (TOU) - Off-Peak	0	0.00%	400.00	11.50	-	-	-
C2 Supply at 11 kV	0	0.00%	380.00	11.80	-	-	-
Time of Use (TOU) - Peak	0	0.00%		16.00	-	-	-
Time of Use (TOU) - Off-Peak	0	0.00%	380.00	11.30	-	-	-
C3 Supply above 11 kV	0	0.00%	360.00	11.70	-	-	-
Time of Use (TOU) - Peak	0	0.00%		16.00	-	-	-
Time of Use (TOU) - Off-Peak	0	0.00%	360.00	11.20	-	-	-
Total Single Point Supply	8	0.68%			12	95	107
Agricultural Tube-wells - Tariff D							
Scarp	0	0.00%		12.00	-	-	-
Time of Use (TOU) - Peak	8	0.66%		16.00	-	122	122
Time of Use (TOU) - Off-Peak	8	0.66%	200.00	11.20	25	86	110
Agricultural Tube-wells	0	0.00%	200.00	11.50	-	-	-
Time of Use (TOU) - Peak	20	1.70%		16.00	-	316	316
Time of Use (TOU) - Off-Peak	20	1.70%	200.00	11.20	64	221	285
Total Agricultural	55	4.71%			88	745	833
Public Lighting - Tariff G							
Residential Colonies	0	0.00%		12.00	-	-	-
Sub-Total	-	0.00%		12.00			
Special Contract - Tariff-J							
J-1 For Supply at 66 kV & above	-	0.00%	360.00	11.70	-	-	-
Time of Use (TOU) - Peak	-	0.00%		16.00	-	-	-
Time of Use (TOU) - Off-Peak	-	0.00%	360.00	11.20	-	-	-
J-2 (a) For Supply at 11, 33 kV	-	0.00%	380.00	11.80	-	-	-
Time of Use (TOU) - Peak	-	0.00%		16.00	-	-	-
Time of Use (TOU) - Off-Peak	-	0.00%	380.00	11.30	-	-	-
J-2 (b) For Supply at 66 kV & above	-	0.00%	360.00	11.70	-	-	-
Time of Use (TOU) - Peak	-	0.00%		16.00	-	-	-
Time of Use (TOU) - Off-Peak	-	0.00%	360.00	11.20	-	-	-
J-3 (a) For Supply at 11, 33 kV	-	0.00%	380.00	11.80	-	-	-
Time of Use (TOU) - Peak	-	0.00%		16.00	-	-	-
Time of Use (TOU) - Off-Peak	-	0.00%	380.00	11.30	-	-	-
J-3 (b) For Supply at 66 kV & above	-	0.00%	360.00	11.70	-	-	-
Time of Use (TOU) - Peak	-	0.00%		16.00	-	-	-
Time of Use (TOU) - Off-Peak	-	0.00%	360.00	11.20	-	-	-
Total Revenue	1,163	100%			173	16,180	16,352



**SCHEDULE OF ELECTRICITY TARIFFS
FOR TRIBAL AREAS ELECTRIC 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	-		11.50
iii	101 - 200 Units	-		13.80
iv	201 - 300 Units	-		14.80
v	301 - 700 Units	-		15.20
vi	Above 700 Units	-		16.00
b)	For Sanctioned load 5 kW & above			
	Time Of Use	-	Peak	Off-Peak
			16.00	11.50

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			16.00
b)	For Sanctioned load 5 kW & above	400.00		14.00
			Peak	Off-Peak
c)	Time Of Use	400.00	16.00	11.50

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	-	15.80

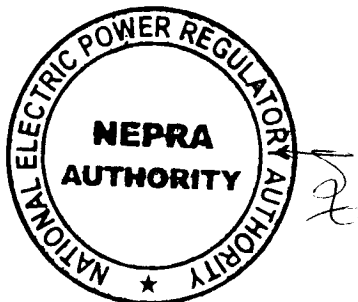
Under tariff A-3, there shall be minimum monthly charges at the following rates even if no energy is

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 ELECTRIC 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	Upto 25 kW (at 400/230 Volts)	-		12.00
B2(a)	exceeding 25-500 kW (at 400 Volts)	400.00		11.50
	Time Of Use			
B1 (b)	Up to 25 KW		16.00	11.50
B2(b)	exceeding 25-500 kW (at 400 Volts)	400.00	16.00	11.30
B3	For All Loads up to 5000 kW (at 11,33 kV)	380.00	16.00	11.20
B4	For All Loads (at 66,132 kV & above)	360.00	16.00	11.10

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

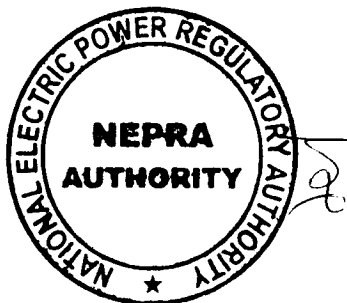
Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
C - 1	For supply at 400/230 Volts			
a)	Sanctioned load less than 5 kW	-		12.50
b)	Sanctioned load 5 kW & up to 500 kW	400.00		12.00
C - 2(a)	For supply at 11,33 kV up to and including 5000 kW	380.00		11.80
C - 3(a)	For supply at 66 kV & above and sanctioned load above 5000 kW	360.00		11.70
	Time Of Use			
C - 1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	400.00	16.00	11.50
C - 2(b)	For supply at 11,33 kV up to and including 5000 kW	380.00	16.00	11.30
C - 3(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	360.00	16.00	11.20

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	-		12.00
D-2 (a)	Agricultural Tube Wells	200.00		11.50
D-1(b)	SCARP 5 kW & above	200.00	16.00	11.20
D-2 (b)	Agricultural 5 kW & above	200.00	16.00	11.20

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 ELECTRIC SUPPLY COMPANY LIMITED (TESCO)
E - TEMPORARY SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh
E-1(i)	Residential Supply	-	16.00
E-1(ii)	Commercial Supply	-	16.00
E-2	Industrial Supply	-	12.00

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 Rs/kW/M	VARIABLE CHARGES Rs/kWh
	Street Lighting	-	12.00

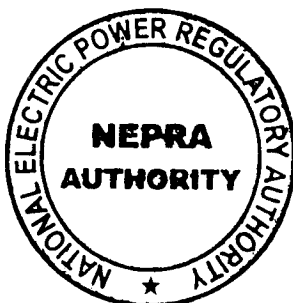
Under Tariff G, there shall be a minimum monthly charge of Rs.500/- per month per kW of lamp capacity installed.

H - RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh
	Residential Colonies attached to industrial premises	-	12.00

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

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
J - 1	For supply at 66 kV & above and having sanctioned load of 20MW & above	360.00	11.70	
J-2	(a) For supply at 11,33 kV	380.00	11.80	
	(b) For supply at 66 kV & above	360.00	11.70	
J-3	(a) For supply at 11,33 kV	380.00	11.80	
	(b) For supply at 66 kV & above	360.00	11.70	
Time Of Use			Peak	Off-Peak
J - 1(b)	For supply at 66 kV & above and having sanctioned load of 20MW & above	360.00	16.00	11.20
J-2 (c)	For supply at 11,33 kV	380.00	16.00	11.30
J-2 (d)	For supply at 66 kV & above	360.00	16.00	11.20
J-3 (c)	For supply at 11,33 kV	380.00	16.00	11.30
J-3 (d)	For supply at 66 kV & above	360.00	16.00	11.20

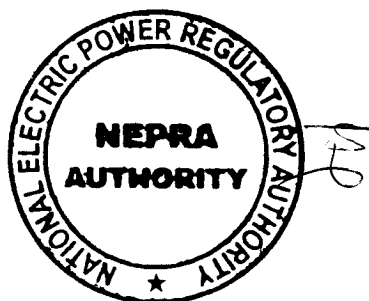


TESCO Power Purchase Price

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
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
Market Operator Fee	0.0065	0.0079	0.0072	0.0059	0.0066	0.0065	0.0079	0.0081	0.0086	0.0085	0.0075	0.0069	0.0073
Total PPP in Rs. /kWh	8.2940	8.5337	8.5235	8.1541	8.1819	9.3083	11.5406	9.7815	11.3689	10.9706	9.4290	8.3360	9.2947

	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
Market Operator Fee	1	1	1	1	1	1	1	1	1	1	1	1	10
PPP	958	923	1,075	1,182	1,272	1,178	1,262	1,250	1,296	1,136	935	863	13,330

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

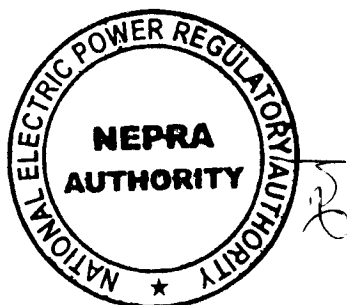
“Life Line Consumer” means those residential consumers having single phase electric connection with a sanctioned load up to 1 kW.

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

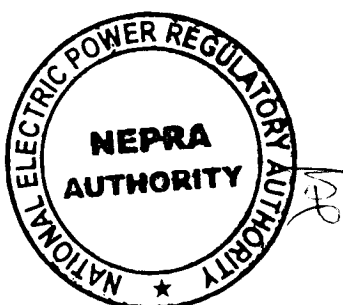
1. "Industrial Supply" means the supply for bona fide industrial purposes in factories including the supply required for the offices and for normal working of the industry.
2. For the purposes of application of this tariff an "Industry" means a bona fide undertaking or establishment engaged in manufacturing, 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

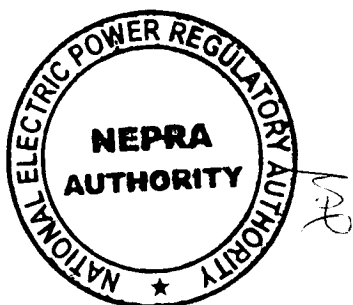
1. This tariff is applicable for supply to Industries having sanctioned load of more than 25 kW up to and including 500 kW.
2. All existing consumers under tariff B-2 shall be provided T.O.U metering arrangement by the Company and converted to B-2(b) Tariff.
3. All new applicants i.e. prospective consumers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



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-I SUPPLY AT 400/230 VOLTS

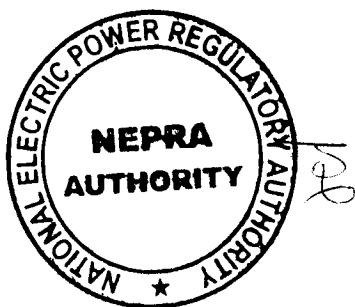
1. This Tariff is applicable to a consumer having a metering arrangement at 400 volts, having sanctioned load of up to and including 500 kW.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. C-I(a) tariff.
3. All new consumers having sanctioned load 5 kW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

C-2 SUPPLY AT 11 kV AND 33 kV

1. This tariff is applicable to consumers receiving supply at 11 kV or 33 kV at one-point metering arrangement and having sanctioned load of 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

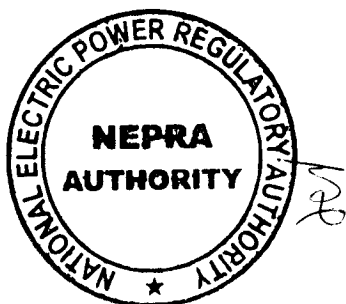
1. This tariff shall apply to:
 - i) Reclamation and Drainage Operation under Salinity Control and Reclamation Projects (SCARP):
 - ii) Bona fide forests, agricultural tube-wells and lift irrigation pumps for the irrigation of agricultural land.
 - iii) Tube-wells meant for aqua-culture, viz. fish farms, 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

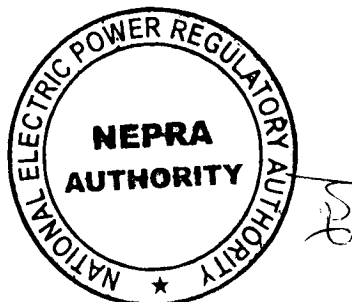
1. Ordinarily the supply under this Tariff shall not be given by the Company without first obtaining security equal to the anticipated supply charges and other miscellaneous charges for the period of temporary supply.
2. Normally, temporary connections shall be allowed for a period of 3 months, which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

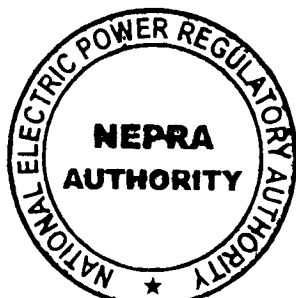
The supply under this Tariff shall be used exclusively for public lighting installed on roads or premises used by General Public.

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.

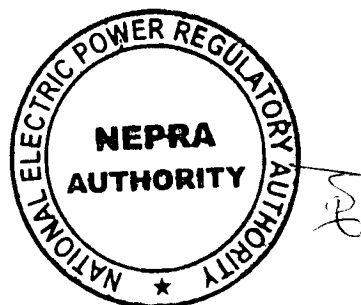
J. SPECIAL CONTRACTS UNDER NEPRA (SUPPLY OF POWER) REGULATIONS 2015

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

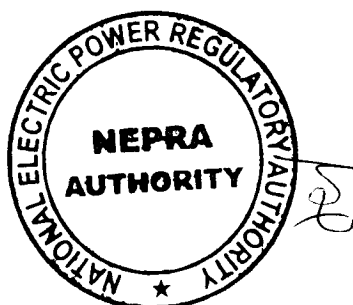
1. This tariff is applicable to an authorized agent receiving supply at 66 kV & above.
2. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to J-3(d).
3. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis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



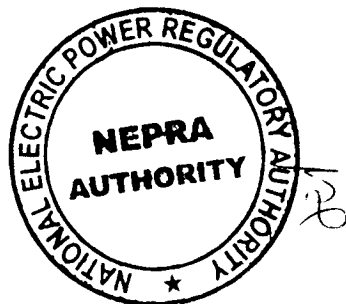
Summary of Direction

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

- To ensure completion of separation of its feeders from PESCO by December 31, 2017. In case of failure, the Authority may initiate proceedings against the Petitioner under the relevant rules.
- To complete the process of installation of TOU meters for the remaining consumer categories by end of 30th June 2018 and also submit a comprehensive plan for the installation of the same by December 31, 2017.
- To provide details of the actual investments carried out during the FY 2014-15 and FY 2015-16 along with their corresponding benefits, not later than December 31, 2017.
- To ensure completion of actuarial valuation of its post-retirement benefits and creation of separate independent post retirement fund latest by December 31, 2017, failing which the Authority may initiate proceedings against the Petitioner under the relevant rules.
- To ensure segregation of its cost between travelling and vehicle maintenance cost in the financial statements for the FY 2016-17.
- To ensure disclosure of LPC amount separately in the accounts for the FY 2016-17.
- To ensure compliance of the Authority's direction in true letter and spirit and provide a workable plan, with the consent of PESCO on the issue of payables which may ensure disposing of its liability in this regard latest by December 31, 2017.
- To come up with a recovery plan to recover the recurring amount and where relevant take up the matter to Provincial, Federal Governments, law enforcement agencies etc. The Petitioner is further directed to provide the latest status of correspondence with GoP for information/ consideration of the Authority within one month of this determination.
- To complete the process of installation of meters for the unmetered connections and printing of meter reading snapshots on the bills simultaneously. The Petitioner is further directed to share its progress in this regard with the Authority on quarterly basis.



- To stagger its investment plan in stages, which should be in line with its plan of installing meters on non-metered connections and should include HHUs, not later than December 31, 2017.
- To put in serious efforts to complete the installation of AMRs/ AMIs System and to ensure installation of AMR/ AMIs latest by December 31, 2017.
- To provide clear disclosure with respect to the consumer financed spares and stores, work in progress and cash & bank balance in financial statements for the FY 2016-17 onwards.
- To share TORs and technical details of the ongoing study and update the Authority on the latest progress of the study by September 30, 2017.
- To ensure completion of actuarial valuation of its post-retirement benefits while finalizing its financial statement and create a separate independent post retirement fund latest by December 31, 2017, failing which the Authority may initiate proceedings against the Petitioner under the relevant rules.
- To undertake village electrification without augmentation of the grid only, if it already has spare MVAs.
- To fulfil all the requirements as provided in the Methodology while filing the next tariff petition failing which the Petitioner's petition may not be entertained.



***List of Interested / Affected Parties to send the
Notices of Admission/ Hearing regarding Petition filed
by Tribal Area Electric Supply Co. Ltd. (TESCO) for the determination of
Consumer-end tariff for the FY 2016-17 based on Actual /Estimated results for
the FY 2015-16 as a 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, Shahr-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 (IEEEP)
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. Managing Director
NTDC
414 WAPDA House
Shaharah-e-Qauid-e-Azam
LAHORE

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-G

Chief Executive Officer,
Central Power Purchasing Agency Guarantee Limited (CPPA-G),
6th Floor, Shaheed-e-Millat Secretariat, Jinnah Avenue, Blue Area, Islamabad

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/HEARING

PETITION FILED BY TRIBAL AREAS ELECTRICITY SUPPLY COMPANY LIMITED (TESCO) FOR THE DETERMINATION OF ITS CONSUMER-END TARIFF PERTAINING TO THE FY 2016-17 BASED ON ACTUAL RESULTS FOR THE FY 2015-16 AS 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 2016-17 based on actual results of the FY 2015-16 as base year.

SALIENT FEATURES OF THE PETITION

1. The petitioner has prayed for the determination of its Consumer-end Tariff pertaining to the Financial Year 2016-17, approval of Distribution Margin @ 2.644/kWh, investment for Rs.971 million, line losses @ 19.93% and average sales rate/tariff at Rs.13.234/kWh with the following category-wise tariff:-

Description	Requested Tariff for the FY 2016-17		NEPRA Determined Tariff Pertaining to the FY 2015-16	
	Fixed Charges Rs./kW/M	Variable Charges Rs./kWh	Fixed Charges Rs./kW/M	Variable Charges Rs./kWh
Residential - A1				
For Peak Load Requirement less than 5kW				
Up to 50 Units		2.00		1.00
1-100 Units		3.00		11.35
101-200 Units		13.00		14.15
201-300 Units		14.00		14.80
301-700 Units		15.50		15.25
Above 700 Units		18.00		16.05
For Peak Load Requirement 5kW & above				
Time of Day (TOU) - Peak				16.05
Time of Day (TOU) - Off-Peak		12.50		11.55
Commercial - A2				
For peak load requirement less than 5kW		18.00		16.05
For Peak load requirement 5kW & above				
Regular	50	16.00	400	14.05
Time of Day (TOU) - Peak				16.05
Time of Day (TOU) - Off-Peak	50	12.20	400	11.55
General Services A-3				14.35
Industrial				
B1 up to 25kW (400/230 volts)		15.50		12.05
B1(b) up to 25kW (Peak)				16.05
B1(b) up to 25kW (Off-Peak)				11.55
B2(a) exceeding 25-500kW (400 volts)	50	14.50	400	11.55
B2(b) - TOU (Peak) at 400 volts				16.05
B2(b) - TOU (Off-Peak) at 400 volts	50	13.39	400	11.35
B3 - TOU (Peak) all loads up to 5000kW at 11/33 kV				16.05
B3 - TOU (Off-Peak) all loads up to 5000kW at 11/33 kV		15.00	360	11.25
B4 - TOU (Peak) all loads 66/132 kV and above				16.05
B4 - TOU (Off-Peak) all loads 66/132 kV and above			360	11.15
Single Point Supply (Bulk)				
C1 (a) Supply at 400/230 Volts less than 5kW				12.65
C1(b) Supply at 400/230 Volts- 5kW & up to 500kW	50	15.50	400	12.05
Time of use (TOU) Peak	50	15.50		16.05
Time of use (TOU) Off Peak	50	15.50	400	11.55
C2 Supply at 11 kV- 33 kV up to and including 5000kW			360	11.65
Time of use (TOU) Peak				16.05
Time of use (TOU) Off Peak			360	11.35
C3 Supply at 66 kV & above			360	11.75
Time of use (TOU) Peak				15.05
Time of use (TOU) Off Peak			360	11.25
Agricultural Tube-wells - Tariff D				
Scap D-1(a) less than 5 kW		12.00		12.05
Scap 5 kW and above Time of use (TOU) Peak				16.05
Scap 5 kW and above Time of use (TOU) Off Peak			200	11.25
D-2 Agricultural Tube Well	50	11.50	300	11.55
Agriculture 5 kW and above Time of use (TOU) Peak				16.05
Agriculture 5 kW and above Time of use (TOU) Off Peak			200	11.25
Public Lighting - Tariff -G				12.05
Housing Colonies - H				12.05
Special Contract - Tariff-J				
J-1 For Supply at 66 kV & above			360	11.75
Time of Use (TOU) - Peak				16.05
Time of Use (TOU) - Off-Peak			360	11.25
J-2 (a) For Supply at 11, 33 kV			360	11.85
Time of Use (TOU) - Peak				16.05
Time of Use (TOU) - Off-Peak			360	11.35
J-2 (b) For Supply at 66 kV & above			360	11.75
Time of Use (TOU) - Peak				16.05
Time of Use (TOU) - Off-Peak			360	11.25
J-3 (a) For Supply at 11, 33 kV			360	11.85
Time of Use (TOU) - Peak				15.05
Time of Use (TOU) - Off-Peak			360	11.35
J-3 (b) For Supply at 66 kV & above			360	11.75
Time of Use (TOU) - Peak				16.05
Time of Use (TOU) - Off-Peak			360	11.25

2. In terms of rule 6 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 from the date of publication of this notice. Such intervention request shall state the name and address of the person filing the same, objections and the manner in which such person is 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 making the same, 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, 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 true copy on 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 intervention request.

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

4. 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 in the subject matter according to the date, time and venue as mentioned below:

Date: April 12, 2017 (Wednesday)
Time: 11:00 a.m.
Venue: NEPRA Tower G-5/1 Islamabad

All communications should be addressed to:

Registrar NEPRA

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad
Phone: 051-2013200, E-mail: office@nepra.org.pk

For further information please visit: www.nepra.org.pk

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