



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Tariff)TRF-100/MFPA/ 18921-24

December 05, 2024

Subject: Decision of the Authority in the matter of requests filed by XWDISCOs for Periodic Adjustment in tariff for the 1<sup>st</sup> Quarter of FY 2024-25

Dear Sir,

Enclosed please find herewith the subject Decision of the Authority along with Annex-C (total 07 Pages) in the matter of Requests filed by XWDISCOs for Periodic Adjustment in Tariff for the 1<sup>st</sup> Quarter of FY 2024-25.

2. The Decision is being sent to the Federal Government for intimation and action, if any, by the Federal Government under Proviso (ii) of Section 31(7) of NEPRA Act, before its notification by NEPRA pursuant to the said Proviso of Section 31(7) of NEPRA Act, 1997.

Enclosure: As above

*Wasim Anwar Bhinder*  
(Wasim Anwar Bhinder)

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

Copy to:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad



**DECISION OF THE AUTHORITY IN THE MATTER OF REQUESTS FILED BY XWDISCOs FOR PERIODIC ADJUSTMENT IN TARIFF FOR THE 1<sup>st</sup> QUARTER OF FY 2024-25**

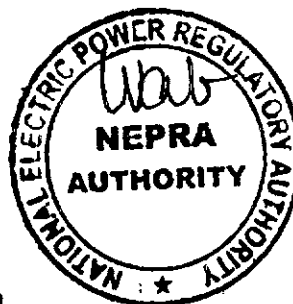
1. The Authority determined Consumer-end Tariff for FY 2023-24, including Power Purchase Price (PPP) reference for XWDISCOs on July 14, 2023, and intimated the same to the Federal Government. The Federal Government, against the aforementioned determinations/decisions, filed Motion, under Section 7 and 31 of the NEPRA Act 1997 read with Rule 17 of the NEPRA (Tariff Standards and Procedure) Rules, 1998 for recommendation of uniform consumer end tariff. The said Motion was decided by the Authority on July 25, 2023 and was subsequently notified by the Federal Government w.e.f. July 01, 2023.
2. XWDISCOs, in line with the NEPRA Act and prescribed quarterly adjustment mechanism as per their tariff determinations, filed adjustment requests on account of variation in PPP, including impact of T&D losses etc, for the 1<sup>st</sup> quarter of the FY 2024-25 i.e. from July to September 2024, including addendums, as summarized below;

Rs. Million

REVISED QUARTERLY ADJUSTMENT - JULY to SEPTEMBER 2024											
Description	EFESCO	GEPCO	HESCO	IESCO	ITESCO	MEPCO	PESCO	QESCO	SIPCO	ATESCO	TOTAL
Capacity Charges	-3,153	2,565	-708	1,963	-465	3,884	1,518	1,965	492	-1,076	6,985
Variable O&M	88	76	27	80	154	111	87	270	94	6	993
UoSC & MoF	790	240	5	-103	62	427	54	28	44	-56	1,491
Impact of T&D Losses on FCA	-340	-221	-195	-247	-634	-583	-451	-108	-189	-25	-2,993
Total	2,615	2,660	870	1,693	883	3,839	1,209	2,155	447	1,151	6,477

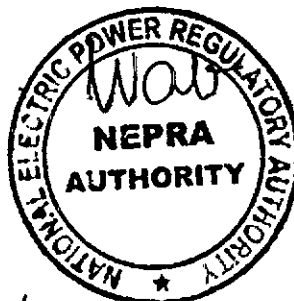
\*DISCOs have revised their requests

3. The proposed quarterly adjustments are formula based and as per the already prescribed mechanism. However, since the impact of any such adjustments has to be made part of the consumer end tariff, the Authority, in order to provide an opportunity of hearing to all the concerned and meet the ends of natural justice, decided to conduct a hearing in the matter.
4. The hearing was scheduled on November 20, 2024, for which advertisement was published in newspapers on November 06, 2024. Separate notices were also sent to the stakeholders for inviting comments from the interested/ affected parties. Salient features of the proposed adjustments along-with adjustment requests/addendums, of all DISCOs were uploaded on NEPRA's website for information of all concerned.
5. The hearing was held as per the schedule on November 20, 2024, which was attended by the Ministry of Energy, Power Division (MoE, PD), XWDISCOs, CPPA-G, K-Electric and other stakeholders including general public and media.
6. During the hearing, XWDISCOs generally submitted that adjustments were largely result of lack of sales as compared to the projections during the instant quarter. XWDISCOs also cited net metering as a potential cause for a drop in sales.



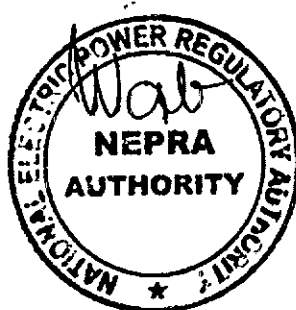


7. In response to inquiries from commentators, it was explained that the currently applicable fourth quarterly adjustment for FY 2024-25, @Rs. 1.74/kWh, will expire in November 2024.
8. Regarding comments of Mr. Shafiq Mughal, a commentator, for any policy decision that the Federal Government is taking to encourage energy sales, representative of CPPA-G submitted that Winter Incentive Package is under consideration and the same will be forwarded to NEPRA after obtaining required approvals.
9. Mr. Aamir Sheikh, a commentator, requested that the quarterly should not be charged from December 2024 and should be considered for three months starting from January 2025 to relieve the consumers from bearing the burden of quarterly adjustments for a month.
10. Mr. Arif Bilwani, submitted that the fall in demand in all DISCOs should be investigated to determine the root cause of the decline in sales. He also submitted that the loadshedding practices should also be looked into by NEPRA.
11. Mr. Aleem Malik submitted that the rise in net metering consumers is adding a capacity burden on consumers who cannot afford to pay for net metering and a policy level decision is required to ensure this impact is reduced.
12. The Authority, in order to work out the instant quarterly adjustments of XWDISCOs, obtained details of actual Power Purchase cost billed by CPPA-G to DISCOs for the 1<sup>st</sup> quarter of the FY 2024-25 i.e. from July to September 2024. CPPA-G provided the information, and also certified that:
  - a. **2002 Power Policy Plants**
    - i. Invoices of all Capacity Purchase have been processed in accordance with rates, Terms & Conditions as determined by NEPRA. Payments related to periodical adjustments are also made as per decision of NEPRA.
    - ii. The above statement is true, based on facts and from verifiable documentary evidences. In case of any deviation/variation observed if not rectified at later stage, CPPA-G will be responsible for the consequences arising out of any misstatement under NEPRA Act and its Rules & Regulations.
  - b. **1994 Power Policy Plants**
    - i. Invoices of all Capacity Purchase have been made strictly in accordance with the rates, terms & conditions as stipulated in the respective Power Purchase Agreement.
    - ii. All payments to IPPs are being made after observing all formalities provided in the respective Power Purchase Agreement.





- iii. The above statement is true, based on facts and from verifiable documentary evidences. In case of any deviation/variation observed if not rectified at later stage, CPPA-G will be responsible for the consequences arising out of any misstatement under NEPRA Act and its Rules & Regulations.
13. Thus, for the purpose of determination of 1<sup>st</sup> quarter of the FY 2024-25 i.e. from July to September 2024, the information submitted by CPPA-G along-with certification of CPPA-G has been relied upon. The plant wise detail of capacity charges and utilization factors for the quarter from July to September 2024, as submitted by CPPA-G are attached as **Annex-C** with the instant decision. In case of any variation, error, omission or misstatement found out at a later stage, CPPA-G shall be responsible and the same would adjusted in the subsequent quarterly adjustments.
14. CPPA-G also requested to allow Rs.1,007 million on account of Legal charges in the instant quarterly adjustment. This adjustment pertains to a debit note issued to DISCOs for reversal of invoice in light of earlier Authority decision in the matter of Market Operator Fee for FY 2024-25 whereby the Authority allowed legal fees as part of MOF. Here it is pertinent to mention that as per previous practice the Authority has deducted any adjustments pertaining to legal fees, therefore, while working out the instant quarterly adjustment, the negative legal fee adjustment has been excluded.
15. In light of the above discussion, information submitted by CPPA-G and adjustment requests filed by XWDISCOs, the Authority has decided to restrict the amount of quarterly adjustment for the 1<sup>st</sup> Quarter of FY 2024-25, as requested by XWDISCOs on account of variation in Capacity charges, Variable O&M, Use of System Charges and Market Operator Fee. However, regarding FCA impact on T&D losses, the same has been worked out as per the Authority's approved monthly FCAs decisions for the relevant months.
16. Based on the discussion made in the above paragraphs and after considering the aforementioned adjustments, the Authority has determined a positive adjustment of Rs.1,187 million on account of variation in Capacity charges, Variable O&M, additional recovery on Incremental sales, Use of System Charges, Market Operator Fee and FCA impact on T&D losses for the 1<sup>st</sup> quarter of FY 2024-25.
17. It is pertinent to mention here that as per earlier practice, and the fact that the adjustment is being made in the already notified uniform tariff, the Authority beside determination of DISCO wise rate of quarterly adjustment, also determines a uniform rate for the quarterly adjustments to be charged from the consumers.
18. The Authority has decided to allow positive quarterly adjustments of Rs.1,187 million pertaining to the 1<sup>st</sup> quarter of the FY 2024-25, in a period of 01 month i.e. December 2024, at a uniform rate of Rs.0.1957/kWh, to be applicable to all consumer categories, except lifeline consumers and prepaid consumers.



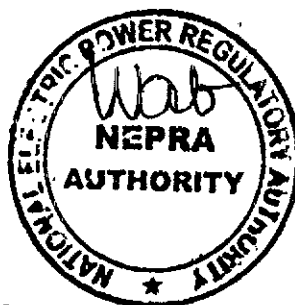
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*Decision of the Authority in the matter of requests filed by XWDISCOs  
regarding periodic adjustment in the Tariff*

Description	UNIT	PFSCO	GFPCO	HESCO	SEPCO	IESCO	LFSCO	MEPCO	PESCO	TESCO	QESCO	Total
FCA Impact of T&D Losses	Rs. Mln	(327)	(299)	(232)	(214)	(257)	(629)	(587)	(655)	(24)	(150)	(3,375)
V. O&M	Rs. Mln	87	62	19	5	55	134	90	82	6	26	566
Capacity Charges	Rs. Mln	(3,271)	2,084	(1,098)	(377)	(89)	(465)	3,599	1,413	(1,092)	1,916	2,620
UOSC/MoF	Rs. Mln	(238)	240	3	44	(103)	19	427	54	(58)	28	416
<b>Total Under / (Over) Recovery</b>	<b>Rs. Mln</b>	<b>(3,749)</b>	<b>2,087</b>	<b>(1,308)</b>	<b>(541)</b>	<b>(394)</b>	<b>(941)</b>	<b>3,528</b>	<b>893</b>	<b>(1,168)</b>	<b>1,820</b>	<b>226</b>
Less- Legal Charges	Rs. Mln	(118.74)	(114.45)	(37.36)	(36.39)	(96.52)	(197.83)	(168.41)	(106.34)	(16.55)	(49.25)	(961.839)
<b>Total Under / (Over) Recovery net of Legal charges</b>	<b>Rs. Mln</b>	<b>(3,631)</b>	<b>2,201</b>	<b>(1,251)</b>	<b>(505)</b>	<b>(298)</b>	<b>(743)</b>	<b>3,466</b>	<b>1,000</b>	<b>(1,152)</b>	<b>1,870</b>	<b>1,187</b>
Projected Sales for 1 month (excluding Life Line sales)	GWh	807	600	222	136	724	1,330	847	819	114	469	6,069
Per Unit Impact	Rs./kWh	(4.4977)	3.6710	(5.6390)	(3.7032)	(0.4111)	(0.5587)	4.3628	1.2211	(10.1083)	3.9830	0.1957

19. It is important to note that Federal Government issued Policy Guidelines to NEPRA, vide letter dated 22.08.2023, for uniform application of quarterly adjustments on XWDISCOs and K-Electric consumers. The policy guidelines state that NEPRA shall determine the same tariff rationalization for K-Electric consumers as determined for XWDISCOs consumers, with same application period. The Policy Guidelines are reproduced hereunder:
- In order to maintain uniform tariff across country, NEPRA shall determine application of quarterly tariff determinations (QTAs) of XWDISCOs on KE consumers by way of tariff rationalization. NEPRA shall determine the same tariff rationalization for K-Electric consumers as determined for XWDISCOs consumers, with same application period, keeping in view financial sustainability of the sector and uniform tariff policy of the Federal Government.*
  - Subsidy or surcharge against the determined tariff for K-Electric consumers shall be assessed on an annual basis instead of monthly or quarterly basis.*
  - Federal Government's motion with respect to recommendation of consumer end tariff for K-Electric Limited dated March 17, 2023 pursuant to the 1<sup>st</sup> Quarterly adjustment of FY 2022-23 determination for XWDISCOs, shall be considered accordingly.*
20. It is also important to mention here that in light of aforementioned policy guidelines, the Authority earlier allowed application of quarterly adjustment since 4<sup>th</sup> quarter of FY 2022-23, determined for XWDISCOs, on the consumers of K-Electric, with the same applicability period, as of XWDISCOs.
21. In view of the above discussion, relevant provisions of NEPRA Act, NE Policy and Policy Guidelines issued by the Federal Government, the Authority has decided to allow the application of instant quarterly adjustments on the consumers of K-Electric as well, with the same applicability period. Accordingly, the instant quarterly adjustment of Rs.0.1957/kWh shall also be charged from the consumers of K-Electric except life line and prepaid consumers, to be recovered in a period of 01 month i.e. December 2024.
22. Here it is also pertinent to mention that the Federal Government filed a Motion dated 24.11.2024 regarding Winter Demand Initiative, whereby one of the terms and conditions of the initiative states that quarterly adjustments & PHL-DSS Surcharge shall not be applicable on incremental consumption. Accordingly, no quarterly adjustment would be applicable on incremental consumption, pursuant to Winter Demand Initiative 2025.



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23. While effecting the Quarterly Adjustments, the concerned DISCOs shall keep in view and strictly comply with the orders of the courts notwithstanding this order.
24. The instant decision along-with attached Annexures, is intimated to the Federal Government, prior to its notification in the official Gazette as per Section 31 (7) of the NEPRA Act.

**AUTHORITY**

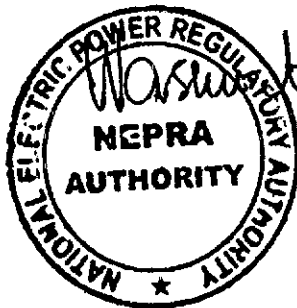
Mathar Niaz Rana (nsc)  
Member

Rafique Ahmed Shaikh  
Member

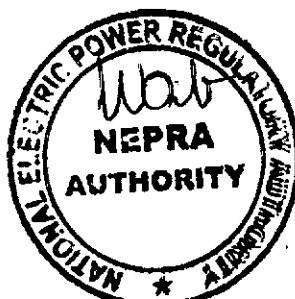
Engr. Maqsood Anwar Khan  
Member

Ms. Amina Ahmed  
Member

Waseem Mukhtar  
Chairman

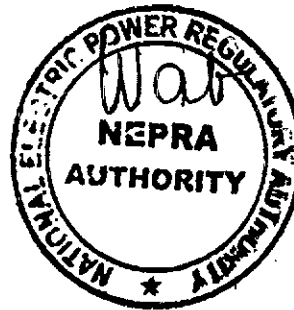


Power Producer	July		Aug		Sep	
	CPP (Rs.)	Plant Factor	Plant Factor	CPP (Rs.)	CPP (Rs.)	Plant Factor
WAPDA Hydel	10,367,912,259	76%	17,644,955,173	78%	16,163,871,058	70%
Pakhtunkhwa Energy Development Organization (Matakand-III)	1,174,385,799	78%	135,685,969	39%	130,000,000	0%
Larab Energy Limited	1,030,818,913	31%	511,829,383	9%	44,358,150	58%
Star Hydro Power Limited	1,502,459,654	72%	780,333,357	72%	546,681,564	45%
Mira Power Limited	2,889,444,599	28%	643,705,391	58%	643,705,391	38%
Karot Power Company (Pvt.) Limited	25,278,853,713	72%	2,199,549,900	63%	2,199,549,900	44%
Jamshoro Power Company Limited-(Genco-1)	284,162,500	0%	284,162,500	0%	204,622,462	0%
Central Power Generation Company Limited-(Genco-2)	76,874,849	23%	2,455,135,852	19%	3,168,060,120	12%
Northern Power Generation Company Limited-(Genco-3)	1,005,748,432	21%	1,384,512,481	12%	1,002,974,922	10%
The Hub Power Company Limited	2,602,735,865	0%	2,604,225,553	0%	2,730,027,361	2%
Kohlnoor Energy Ltd.	204,794,789	18%	204,794,789	1%	204,794,789	5%
Lalpur Power (Private) Limited	782,547,200	0%	728,339,740	0%	1,160,748,575	0%
Pak Gen Power Limited	780,241,283	1%	727,516,603	0%	1,029,777,953	0%
Fauji Kabinwala Power Company Ltd.	252,583,936	26%	253,766,211	5%	253,766,211	1%
Rousch Pak Power Ltd.	947,125,274	15%	947,125,274	1%	947,125,274	5%
Saba Power Company (Pvt.) Ltd.	273,356,643	0%	273,356,643	0%	273,356,643	0%
Uch Power Ltd.	681,566,749	89%	648,325,660	73%	626,441,152	89%
Liberty Daharki Power Limited	417,941,138	72%	417,941,138	54%	417,941,138	74%
PAEC Chashma Nuclear Power Plant.	10,278,646,615	63%	10,087,681,051	76%	12,905,077,554	97%
Karachi Nuclear Power Plant-Unit-2	22,330,731,160	86%	4,178,765,397	97%	11,636,761,601	87%
Karachi Nuclear Power Plant-Unit-3	6,182,606,617	101%	20,361,336,251	101%	45,873,752,546	13%
Tavanir Iran	164,079,928	31%	-	24%	48,706,318	27%
Attock Gen Limited	327,239,163	13%	412,991,054	1%	208,677,689	6%
Atlas Power Limited	552,171,049	7%	340,529,251	0%	220,526,995	3%
Nishat Power Limited	407,886,938	16%	316,726,837	1%	210,832,778	3%
Foundation Power Company Daharki Ltd.	417,347,684	81%	341,924,507	76%	242,818,905	82%
Orient Power Company (Private) Limited	480,747,613	60%	467,463,858	30%	251,188,080	33%
Nishat Chumlan Power Limited	304,179,440	5%	347,274,307	0%	320,855,258	0%
Sail Power Limited	532,627,386	30%	371,408,610	9%	306,954,622	28%
Engro Powergen Qadirpur Limited	440,776,345	42%	395,736,268	46%	258,857,090	46%
Sapphire Electric Company Limited	591,132,164	47%	360,572,635	12%	708,674,562	32%
Narowal Energy Limited	-	5%	1,027,592,394	0%	270,678,650	1%
Liberty Power Tech Limited	423,664,675	13%	425,786,037	2%	412,028,914	1%
Halmore Power Generation Company Limited	418,947,930	57%	353,943,306	41%	394,280,149	21%
Uch-II Power (Pvt.) Limited	1,881,673,878	84%	1,818,427,172	60%	1,845,019,537	80%
JDW Sugar Mills Ltd.	40,357,200	87%	86,743,502	84%	82,624,361	96%
RYK Mills Limited	10,931,117	9%	43,251,030	37%	14,759,269	13%
Chiniot Power Limited	175,611,825	48%	91,780,958	25%	-	0%
Almolt Industries Limited	-	0%	-	0%	590,701,286	0%
China Power Hub Generation company (Pvt.) Ltd	9,623,170,832	7%	10,558,719,517	0%	10,173,041,269	9%
Engro Powergen Thar (Pvt) Limited	5,128,245,376	85%	5,433,998,689	78%	5,102,036,897	56%
Quaid-e-Azam Thermal Power (Pvt) Limited	13,278,556,693	73%	3,317,651,105	60%	2,605,144,887	68%
Huaneng Shandong Ruyi Energy (Pvt) Ltd	9,238,066,883	50%	9,159,770,272	37%	9,288,026,068	44%
National Power Parks Management Company Private Limited	4,793,500,959	75%	4,594,741,019	67%	4,929,232,376	69%
Port Qasim Electric Power Company (Pvt.) Limited	9,966,273,690	61%	23,459,262,611	13%	9,737,700,772	50%
Lucky Electric Power Company Limited	6,215,882,522	10%	4,469,653,808	48%	2,818,026,615	52%
Punjab Thermal Power Private Limited	3,925,339,186	82%	2,458,854,064	16%	2,435,541,966	4%
Zorlu Enerji Pakistan Limited	57,481,737	31%	307,625,328	30%	3,249,681,711	21%
FFC Energy Limited	485,680,026	24%	58,215,882	26%	75,828,889	16%
Three Gorges First Wind Farm Pakistan (Private) Limited	411,147,165	24%	348,021,368	31%	230,150,644	20%
Sapphire Wind Power Company Limited	474,519,498	24%	515,811,509	19%	330,324,995	18%
Yunus Energy Limited	373,398,655	25%	622,632,962	21%	274,894,520	20%
Metro Power Company Ltd	797,441,567	30%	724,708,203	35%	433,287,682	22%
Gut Ahmed Wind Power Ltd	419,391,588	25%	428,320,549	21%	457,246,775	20%
Master Wind Energy Limited	446,945,900	27%	502,643,718	22%	328,695,210	21%
Tenaga Nasional Limited	495,710,389	28%	559,097,389	25%	505,589,396	30%
ACT Wind (Pvt) Limited	225,096,263	30%	239,732,619	34%	225,686,204	26%
Hydrochina Dawood Power (Private) Limited	434,511,480	28%	560,997,053	24%	502,171,429	28%
Sachal Energy Development (Private) Limited	870,426,197	28%	1,020,535,651	33%	430,260,082	20%
UEP Wind Power (Pvt) Ltd	924,116,799	26%	1,173,546,872	22%	757,446,105	21%
Quaid E Azam Solar Power Pvt Ltd	381,352,292	19%	388,674,341	17%	728,193,674	19%
Appolo Solar Development Pakistan Limited	687,168,478	20%	625,336,980	18%	661,186,196	20%
Best Green Energy Pakistan Limited	627,928,656	20%	661,570,198	18%	672,523,832	19%
Crest Energy Pakistan Limited	605,838,960	20%	671,024,903	18%	711,278,343	20%
Harappa Solar (Pvt) Limited	95,506,333	23%	85,819,123	21%	74,521,087	22%
AJ Power (Private) Ltd.	47,122,128	18%	42,855,384	16%	48,147,056	19%
Artistic Energy (Pvt.) Limited	321,417,130	42%	437,652,271	47%	385,081,431	40%
Jhimpir Power (Private) Limited	508,954,699	35%	537,716,193	27%	391,468,394	29%
Hawa Energy (Private) Limited	503,608,058	35%	519,293,447	26%	359,535,390	26%
Three Gorges Third Wind Farm Pakistan (Private) Limited	397,450,411	29%	471,102,738	23%	308,639,420	22%
Three Gorges Second Wind Farm Pakistan Limited	414,635,733	28%	455,259,514	22%	292,039,369	21%
Tricon Boston Consulting Corporation (Private) Limited	1,661,223,730	37%	1,682,105,923	30%	1,372,631,451	33%
Zephyr Power (Pvt.) Limited	525,223,923	42%	776,142,061	37%	488,672,183	41%
Foundation Wind Energy-II Limited	592,669,520	33%	694,823,361	36%	703,599,621	30%



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Foundation Wind Energy-I Limited	789,069,260	29%	924,714,002	33%	873,816,559	29%
Master Green Energy Limited	228,854,414	39%	168,427,221	31%	229,818,299	29%
Lucky Renewables (Private) Limited	300,588,126	39%	250,870,695	0%	187,848,653	34%
ACT2 DIN Wind (Pvt) Ltd.	215,268,604	38%	238,107,423	32%	208,752,076	40%
Artistic Wind Power (Pvt) Ltd.	191,440,771	35%	228,925,276	30%	196,979,325	37%
Indus Wind Energy Ltd.	210,939,941	36%	238,112,664	32%	232,174,609	43%
Lakeside Energy Limited	205,142,816	36%	219,241,201	31%	199,585,091	38%
Liberty Wind Power-I Ltd.	194,417,469	33%	219,815,498	28%	181,209,228	34%
DIN Energy Ltd.	190,848,716	33%	218,990,675	28%	190,080,516	36%
Gul Ahmed Electric Limited	211,693,442	38%	161,000,055	31%	204,620,061	40%
Atlas Solar Limited	407,805,114	24%	220,711,189	21%	235,418,604	23%
Liberty Wind Power-II (Pvt.) Ltd.	201,918,744	35%	224,874,039	29%	185,600,101	35%
NASDA Green Energy Limited	189,911,950	37%	268,375,836	31%	187,855,056	39%
Metro Wind Power Limited	330,331,245	43%	401,024,125	36%	399,389,088	52%
Thar Energy Limited	824,422,779	85%	13,448,752,121	76%	1,345,312,145	21%
Thar Coal Block-1 Power Generation Company (Pvt) Limited	10,839,365,353	81%	10,375,719,565	68%	11,192,155,591	90%
ThalNova Power Thar (Pvt.) Ltd	828,365,734	87%	6,127,556,632	71%	1,385,319,604	83%
Helios Power Limited	67,488,379	26%	57,935,172	23%	64,324,746	26%
Meridian Energy Limited	67,578,646	26%	59,529,969	23%	64,504,534	28%
HNDS Energy Limited	66,694,384	25%	57,827,628	22%	63,737,144	25%



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