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National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Tariff)/TRF-605 & TRF-606/ **92979303**

June 23, 2025

Subject: **Decision of the Authority in the matter of request filed by Faisalabad Electric Supply Power Company (FESCO) for Adjustment/Indexation of tariff for FY 2025-26 under MYT**

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority along with Annexure-I, I-A, II, III, IV and V (total 43 pages).

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

Enclosure: **As above**

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. Secretary, Energy Department., Government of the Punjab, 8th Floor, EFU House, Main Gulberg, Jail Road, Lahore
4. Managing Director, National Grid Company (NGC) of Pakistan, 414 WAPDA House, Shahrah-e-Quaid-e-Azam, Lahore
5. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad.
6. Chief Executive Officer, Faisalabad Electric Supply Company Limited (FESCO), FESCO Headquarter, Abdullah Pur, Faisalabad
7. Chief Executive Officer, Independent System and Market Operator (ISMO) of Pakistan, Pitras Bukhari Road, Sector H-8/1, Islamabad

**DECISION OF THE AUTHORITY IN THE MATTER OF REQUEST FILED BY FAISALABAD
ELECTRIC SUPPLY COMPANY (FESCO) FOR ADJUSTMENT / INDEXATION OF TARIFF FOR
FY 2025-26 UNDER THE MYT**

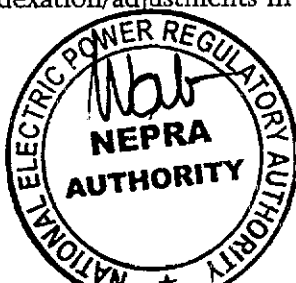
1. Background

- 1.1. The Authority determined tariffs of Faisalabad Electric Supply Company Limited (FESCO) (herein referred to as "Petitioner") under the Multi Year Tariff (MYT) regime, for a period of five years i.e. from FY 2023-24 to FY 2027-28, separately for both its Distribution and Supply of power functions vide tariff determinations dated 14.03.2024. The said decision was subsequently notified by the Federal Government.
- 1.2. The Petitioner in line with the adjustment mechanism provided in its notified MYT determination, has filed its request for adjustment/ indexation of different components of its revenue requirement for the FY 2025-26, along-with break-up of costs in terms of Distribution and Supply functions. A summary of the adjustments request submitted by the Petitioner is as follows;

Description	DoP		SoP		Total	
	Rs. Mln	Rs. /kWh	Rs. Mln	Rs. /kWh	Rs. Mln	Rs. /kWh
A- Power Purchase Price						
Energy Charges	-	-	159,633	10.65	159,633	10.65
Capacity Charges	-	-	209,154	13.96	209,154	13.96
UoSC & MOF	-	-	20,266	1.35	20,266	1.35
Total PPP	-	-	389,053	25.96	389,053	25.96
B- Dist./ Supply Margin						
O&M Cost	33,948	2.27	10,092	0.67	44,040	2.94
RORB	20,862	1.39	-	-	20,862	1.39
Depreciation	6,839	0.46	-	-	6,839	0.46
Total	61,649	4.11	10,092	0.67	71,741	4.79
C- Other Income	(7,553)	(.50)	-	-	(7,553)	(.50)
D- Net Dist./ Supply Margin	54,096	3.61	10,092	0.67	64,188	4.28
E- Prior Year Adj 2023-24	26,307	1.76	26,284	1.75	52,591	3.51
F- Total(A+D+E)	80,403	5.37	425,430	28.39	505,833	33.76

2. Hearing

- 2.1. Since the impact of any such adjustments has to be made part of the consumer end tariff, therefore, the Authority, in order to provide an opportunity of hearing to all the concerned and, in the interest of natural justice, decided to conduct a hearing in the matter.
- 2.2. Hearing in the matter was held on 22.04.2025, for which advertisement was published in newspapers on 12.04.2025. Separate notices were also sent to the stakeholders for inviting comments from the interested/ affected parties. The salient features and details of the proposed adjustments along-with notice of hearing were also uploaded on NEPRA's Website for information of all concerned.
- 2.3. For the purpose of hearing, and based on the pleadings, following issues were framed to be considered during the hearing and for presenting written as well as oral evidence and arguments;
- i. Whether the requested indexation/adjustments in tariff are in line with the MYT tariff



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determination and are justified?

- ii. DISCO to present its Power Purchases Price (Energy & Cost) for the FY 2025-26, keeping in view the Section 32 of NEPRA Act and other applicable documents?
- iii. Whether the requested PYA is justified?
- iv. Whether the schedule of tariff be designed on cost-of-service basis or otherwise?
- v. Whether the existing quantum of fixed charges along-with application mechanism for different consumers categories needs to be revised in order to ensure recovery of fixed cost portion of revenue requirement in line with Strategic Directives given in NE Plan?
- vi. Whether the peak and off-peak timing and rate design needs to be revised, keeping in view the changing demand patterns?
- vii. Whether the proposal to apply limit on making higher investment than the allowed amount, at the end of MYT control period instead of annual basis merits consideration?
- viii. Whether the Petitioner has complied with directions issued by the Authority?
- ix. Any other issue that may come up during or after the hearing?

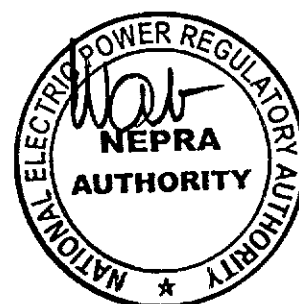
3. **Filing of objections/ comments:**

- 3.1. The interested parties were given an opportunity to submit written/ oral comments or objections, if any, as permissible under the law.
- 3.2. During the hearing, the Petitioner was represented by its CEO along-with its technical and financial teams. On the basis of pleadings, evidence/record produced and arguments raised during the hearing, issue-wise findings are given as under;

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

- 4.1. During the hearing, the Petitioner submitted that the requested annual indexation/adjustments are in line with the mechanism determined vide Authority determinations in the matter of MYT Petition of LESCO for Supply and Distribution Tariff and NEPRA guidelines for determination of consumer end tariff (Methodology & Process).
- 4.2. The Petitioner requested the following adjustments on account of its O&M costs, Other Income and RoRB etc., for the FY 2025-26 and made the following submissions;

Distribution/ Supply Margin Component	Mln. Rs.		
	2025-26		
	Adjusted / indexed		
	DoP	SoP	Total
Operating & Maintenance Cost (O&M)	33,948	10,092	44,040
Return on Regulatory Asset Base (RORB)	20,862	-	20,862
Depreciation Expense	6,839	-	6,839
Gross Distribution Margin	61,649	10,092	71,741
Less: Other Income	(7,553)	-	(7,553)
Net Distribution Margin	54,096	10,092	64,188



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					Min. Rs.
Description	Determined 2024-25	Expenditure upto Mar. 2025	Act/Est. Expenditure for 2024-25	Actual / Provisional 2024-25	Requested for FY 2025-26
Salaries, Wages & Other Benefits	16,587	12,678	17,059	16,587	18,349
Post Retirement Benefits	16,540	12,824	16,802	16,802	20,345
Repair & Maintenance	1,273	1,032	1,540	1,273	1,309
Other O&M Cost	3,925	2,069	3,080	3,925	4,037
TOTAL	38,325	28,604	38,481	38,587	44,040

- 4.3. **Salaries, Wages and Other Benefits:** Regarding Salaries, Wages and other Benefits the Petitioner submitted that the notified MYT decision of NEPRA provides following mechanism for adjustment;

"Considering the fact that employees of XWDISCOs are hired on Government pay scales, and any salary increase announced by the Federal Government in the Federal Budget is applicable on the employees of the Petitioner, therefore, being un-controllable cost, the Salaries & Wages and benefits, would be actualized, based on the audited accounts of the Petitioner for the relevant year for its existing employees. The impact of any such adjustment would be allowed as part of PYA in the next indexation! adjustment request or tariff determination as the case may be.

- 4.4. Accordingly, the Salaries, Wages and Other Benefits have been worked out as Rs.19,463 million after incorporating impact of estimated 25% Adhoc Relief Allowance by the Federal Government in the budget of FY 2025-26 plus 5% impact of annual increment for the FY 2025-26 over the reference base cost of Rs. 16,586 for both functions (referred Para 4.29 of Adjustment/ Indexation for FY 2024-25 dated June 14,2024).

- 4.5. **Post Retirement Benefits:** Regarding Post Retirement Benefits the Petitioner submitted that the notified MYT decision of NEPRA provides following mechanism for adjustment (Para 21.2 of the decision of FESCO Distribution Tariff and Para 18.2 of Supply Tariff).

"Considering the fact that the Petitioner is obligated to pay to its pensioners, the pension increases announced by the Federal Government, therefore, being an un-controllable cost, Post-retirement Benefits would be actualized based on the audited accounts of the Petitioner for the relevant year. The impact of any such adjustment would be allowed as part of PYA in the next indexation! adjustment request or tariff determination as the case may be".

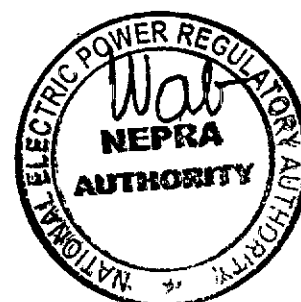
- 4.6. In line with the above, the Post Retirement Benefits have been taken Rs.20,345 million as per the latest audited Financial Statements for FY 2023-24 by the Petitioner.

- 4.7. **Other O&M costs:** The Petitioner submitted that according to mechanism given in the MYT determination, the O&M cost which is part of FESCO's Distribution/Supply Margin (D/SM) shall be indexed with Consumer Price Index (CPI) subject to adjustment for efficiency gains (X factor). Accordingly, the O&M cost will be indexed every year according to the following formula:

$$O\&M(Rev) = O\&M_{e0} \times [1 + (i \times NCPI \times X)]$$

Where;

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O&M{Kev} = Revised O&M expense for the Current Year
O&M{Ref} = Reference O&M expense for the Ref Year
NCPI = Change in NCPI published by Pakistan Bureau of Statistics for the month of
December for the respective year.
X = Efficiency factor i.e. 30% of NCPI relevant for purpose of indexation

4.8. The Petitioner accordingly requested that Other O&M Cost including R&M, has been worked out as Rs.5,347 million after giving an increase equal to change in NCPI i.e. 04.07% for the month of December, 2024 over December 2023 in the base/reference cost i.e. Rs.5,199 million. Efficiency factor i.e. 30% of NCPI (4.07%) also applied.

4.9. **Return on Rate Base (RORB) Adjustment:** The Petitioner submitted that according to its MYT determination, the RORB assessment will be made in accordance with the following formula/mechanism:

$$RORB_{(Rev)} = RORB_{(Ref)} * RAB_{(Rev)} / RAB_{(Ref)}$$

Where:

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

$RORB_{(Ref)}$ = Reference Return on Rate Base for the Reference Year

$RAB_{(Rev)}$ = Revised Rate Base for the Current Year

$RAB_{(Ref)}$ = Reference Rate Base for the Reference Year

4.10. The Petitioner stated that its projected RoRB for FY 2025-26 based on allowed investment of Rs.26,326 million is as under;

$$RORB_{Rev} = RORB_{(Ref/Adj.)} * RAB_{(Rev)} / RAB_{(Ref.)}$$

$$RORB_{(Rev)} = 16,320 * 98,524 / 77,072 = 20,862 \text{ million}$$

(Table-03)		(PKR Millions)	
Description	2024-25	2025-26	
	Act/Prov	Adjusted	(Distribution)
Gross Fixed Assets in Operation – Op. Balance	140,562	157,583	
Add: Addition/Transfer in Fixed Assets (Net)	17,021	21,988	
Fixed Assets in Operation – Closing Balance	157,583	179,571	
Less: Accumulated Depreciation	(50,758)	(56,867)	
Net Fixed Assets in Operation	106,825	122,704	
Add: Assets under Construction (AUC) Cl. Balance	39,111	40,752	
Total Fixed Assets	145,936	163,456	
Less: Deferred Credits	52,879	59,465	
Regulatory Assets Base	93,057	103,991	
Average Regulatory Assets Base (RAB)	86,937	98,524	
WACC	21.18%	21.18%	
RORB = RAB * WACC	18,409	20,862	

Depreciation:

4.11. The petitioner submitted that according to Para 23.1 of Authority determination in the matter of MYT Petition of FESCO for Distribution Tariff, Depreciation expense for future years will be assessed in accordance with the following formula/mechanism:

$$DEP_{(Rev)} = DEP_{(Ref)} * GFAIO_{(Rev)} / GFAIO_{(Ref)}$$

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Where:

$DEP(Rev)$ = Revised Depreciation Expense for the Current Year

$DEP(Ref)$ = Reference Depreciation Expense for the Reference Year

$DEP(Ref) \text{ GFAIO}(Rev)$ = Revised Gross Fixed Assets in Operation for the Current Year

$GFAIO(Ref)$ = Reference Gross Fixed Assets in Operation for the Reference Year

- 4.12. The Petitioner submitted that projected Depreciation for FY 2025-26 based on allowed investment of Rs.26,326 million is given below:

$$DEP(Rev) = DEP(Ref) * GFAIO(Rev) / GFAIO(Ref)$$

$$DEP(Rev) = 6,249 * 179,571 / 164,070 = 6,839 \text{ million}$$

Description	(PKR Millions)	
	2024-25 Act/Prov	2025-26 Adjusted (Distribution)
Gross Fixed Assets in Operation (GFAIO) - Opening Balance	140,562	157,583
Add: Addition/Transfer/Deletion in Fixed Assets (Net)	17,021	21,988
Fixed Assets in Operation - Closing Balance	157,583	179,571
Less: Value of Land	1,156	1,156
GFAIO excluding Land	156,427	178,415
Depreciation Expense	6,002	6,839

Other Income

- 4.13. The Petitioner submitted that according to the allowed mechanism, Other Income for the FY 2025-26 is assessed as under;

$$OI(Rev) = OI(\text{Allowed Previous year}) - [OI(\text{Allowed Previous year}) - OI(\text{Actual previous year})]$$

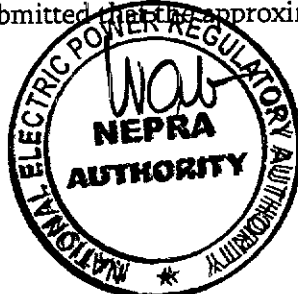
$$OI(Rev) = 6,457 - [6,457 - 7,553]$$

$$OI(Rev) = 6,457 + 1,096$$

$$OI(Rev) = 7,553 \text{ Million}$$

- 4.14. During hearing, various commentators raised their concerns. A summary of relevant comments is as under;

- ✓ Mr. Arif Bilwani inquired the reasons for decrease in Salaries and Wages (FY 2024-25: Rs.16.586 billion, FY 2025-26: Rs.18 billion) compared to Post retirement benefits (FY 2024-25: Rs.15.055 billion, FY 2025-26: Rs. 20 billion). Mr. Arif Bilvani also inquired regarding Weighted Average Cost of Capital (WACC) in FY 2024-25 and FY 2025-26 at 21.18%, despite KIBOR already reduced to 12% and showing consistent declining trend. Mr. Arif Bilvani also highlighted that gap between EPP (Rs. 10.65/kWh) and CPP (Rs. 13.96/kWh) may widen due to declining future sales, meaning that EPP charges may reduce in future and CPP charges might increase.
- ✓ Mr. Ashfaq Mughal inquired regarding the annual increase/ decrease in demand of FESCO. FESCO, in response submitted that the approximately 600 MW has decreased and sales of



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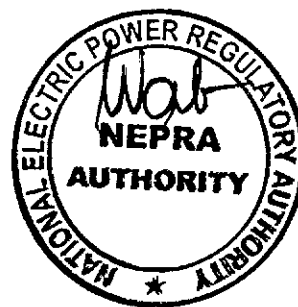
units has decrease by around 1,000 GWh. Mr. Ashfaq Mughal further inquired regarding the annual increase/ decrease in the receivables during the past year. FESCO responded that receivables have reduced from Rs. 84 billion in FY 2024-25 to Rs. 74 billion in FY 2025-26.

- ✓ Mr. Asghar Khattak submitted that increasing MDI charges from 25% to 50% for B3 and B4 consumers is not justified. Reason being that from FY 2008 to FY 2016, significant additions in the capacity in terms of MWs have been made in the power sector. Further, during the time, investments made by consumers in industrial sector like textile and cement has also seen an increase in sanctioned load. However, the economic conditions in Pakistan are not conducive resulting in non-operations of industries. This means that if a plant may not be operational, it still shall be charged MDI/ fixed charges, and further increase in these charges may not be justice with the consumers. Mr. Asghar Khattak also submitted that peak and off-peak hours were introduced when Pakistan was facing electricity crises. Now, when there is ample capacity available in Pakistan, still charging higher rate in peak hours when consumption is on higher side, discourages consumers to consumer more electricity. In view thereof, peak and off-peak regime may be abolished which may result in increase in sales.

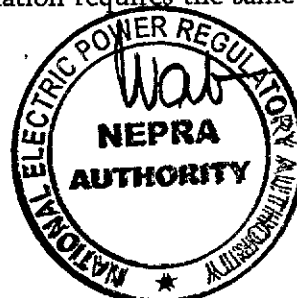
- 4.15. **Regarding Salaries & Wages and Other Benefits**, the same include employees Pay & Allowances and Post-retirement benefits and accounts for around 90% of the Petitioners total O&M costs, excluding depreciation. Employees of XWDISCOs are generally hired on Government pay scales, thus, any salary increase announced by the Federal Government in Fiscal Budget is applicable on the employees of XWDISCOs. However, the increase of 25% as proposed by FESCO in pay & allowances is on the higher side.
- 4.16. It is pertinent to mention here that as per the Federal Budget for the FY 2025-26, an increase of 10% has been announced in the salaries of government employees. In view thereof, the Authority has decided to apply an Adhoc allowance of 10% on provisional basis on the amount of Pay & Allowances (excluding post-retirement benefits), allowed for the FY 2024-25. In addition, the impact of annual increment @ 5% has also been included in the assessed cost of Pay & Allowances for the FY 2025-26. Accordingly, for the FY 2025-26, the Pay & Allowances has been worked out as Rs.18,697 million, which is hereby allowed to the Petitioner.
- 4.17. As per the MYT determination of FESCO, the allowed Pay & Allowances cost is to be actualized, based on its audited accounts for the relevant year for its existing employees. The impact of any such adjustment would be allowed as part of PYA in the next indexation/ adjustment request or tariff determination as the case may be. Accordingly, the cost being allowed for the FY 2025-26 shall be actualized, once the Audited accounts of the Petitioner for the FY 2025-26 would be available.
- 4.18. In order to bifurcate the cost proposed for Pay & Allowances in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used. Consequently, the cost of Pay & Allowances (excluding postretirement benefits) for the FY 2025-26 pertaining to the distribution function works out as Rs.15,481 million and Rs.3,216 million for Supply function.

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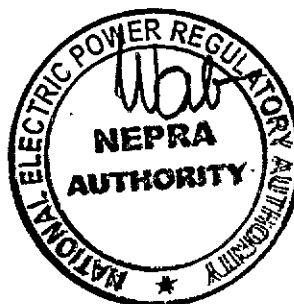
- 4.19. Further, as per the Audited Accounts of LESCO for FY 2023-24, its Pay & Allowances cost is Rs.15,029 million, against the allowed cost of Rs.15,345 million. Accordingly, in light of the MYT determination of LESCO, whereby the allowed Pay & Allowances cost is to be actualized based on Audited accounts, the Authority has decided to allow differential of Rs.316 million as part of PYA in the instant decision.
- 4.20. **Regarding Post-retirement Benefits**, the Authority allowed provision for post-retirement benefits to the Petitioner in the MYT tariff determination, with the direction to deposit the whole amount of allowed Post retirement benefits into the separate Fund and route all its pension payments through the Fund. If the Petitioner fails to transfer the whole amount of postretirement benefits into the Fund, the Authority would adjust the deficit payments in next year's provision and from thereon, only actual amounts paid and amount transferred into the fund would be allowed.
- 4.21. Based on the information provided by the Petitioner, the Authority noted that the Petitioner has shown compliance with the directions of the Authority, whereby the excess amount has been deposited in the Fund.
- 4.22. Regarding assessment of post-retirement benefits for the FY 2025-26, the determination provides that it would be allowed based on the actuarial valuation report for the year for which assessment is being made or as per the latest available audited financial statements. As per the latest audited financial statements of the Petitioner i.e. for the FY 2023-24, the provision for post-retirement benefits is Rs.20,345 million. Accordingly, the same is being allowed to the Petitioner for the FY 2025-26, for both the distribution and supply of power functions.
- 4.23. In order to bifurcate the cost proposed for postretirement benefits in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used. Thus, the proposed amount of post-retirement benefits for the FY 2025-26 pertaining to the distribution function works out as Rs.15,055 million and Rs.5,290 million for Supply function.
- 4.24. As per the MYT determination of FESCO, the Post Retirement Benefits being allowed are to be actualized, based on its audited accounts for the relevant year. Relevant extract of MYT determination is as under;
- 14.10 Considering the fact that the Petitioner is obligated to pay to its pensioners, the pension increases announced by the Federal Government, therefore, being an un-controllable cost, the Authority has decided to actualize the post-retirement benefits cost of the Petitioner for the relevant year, based on its audited accounts. The impact of any such adjustment would allowed as part of PYA in the next indexation/ adjustment request or tariff determination as the case may be.
- 4.25. As per the Audited Accounts of FESCO for FY 2023-24, its Post retirement benefits are Rs.20,345 million as against the allowed amount of Rs.17,380 million. Accordingly, in light of the MYT determination of FESCO, the Authority has decided to allow differential of Rs.2,965 million as part of PYA in the instant decision.
- 4.26. **Regarding Other O&M expenses**, (Repair & Maintenance, Travelling, Transportation and Other O&M expenses) the MYT tariff determination requires the same to be indexed with



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NCPI of December for the respective year after adjustment for the X factor i.e. 30% of CPI (applicable from 3rd year of tariff control period). Accordingly, for indexation of other O&M expenses for the FY 2025-26, the NCPI of December 2024 has been considered. The same as reported by Pakistan bureau of Statistics is 4.03%. Further, the Petitioner was allowed MYT from FY 2023-24, therefore, as per the notified MYT decision X-Factor would be applicable from 3rd year of control period i.e. FY 2025-26. With NCPI of December 2024 i.e. 4.03% and application of X-factor, the Other O&M cost of the Petitioner for the FY 2025-26 works out as Rs.5,346 million, based on reference cost of Rs.5,199 million. The same is allowed to the Petitioner for both the distribution and supply of power functions.

- 4.27. In order to bifurcate the allowed cost of Other O&M expenses in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used. Thus, the allowed amount of Other O&M for the FY 2025-26, pertaining to the distribution function works out as Rs.3,701 million and Rs.1,645 million for Supply function.
- 4.28. Regarding Depreciation expenses, the same are required to be worked out based on the Revised Gross Fixed Assets in Operation (GFAIO) for FY 2025-26, to be calculated based on Investment allowed for the FY 2025-26. For FY 2025-26, allowed investment for the Petitioner is Rs.26,407 million, by considering the same revised Gross Fixed Assets in Operation of the Petitioner for the FY 2025-26 works out as Rs.183,846 million. Accordingly, as per the allowed mechanism the total depreciation expense of the Petitioner for the FY 2025-26 works out as Rs.6,839 million. The same is being allowed to the Petitioner for both the distribution and supply of power functions.
- 4.29. In order to bifurcate the allowed cost of depreciation expenses in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used. Thus, the total allowed amount of Depreciation for the FY 2025-26 allocated to the distribution function.
- 4.30. In addition, the mechanism given in the MYT, also provides that the allowed Depreciation for previous year will be trued up downward only, keeping in view the amount of investment allowed for the respective year. In view thereof, the depreciation cost allowed for the FY 2023-24, has been trued up and made part of PYA of the Petitioner in the instant decision.
- 4.31. It is clarified that the Authority is in the process of evaluating the investments actually carried out by the Petitioner, whether the same in line with the allowed investment plan or otherwise. Therefore, for the purpose of truing up of Depreciation expenses for the FY 2023-24, depreciation expense as reported in Audited financial statements of the Petitioner have been considered, keeping in view the mechanism prescribed in the MYT determination. Any adjustment based on the final evaluation of the Authority, if required, would be made in next adjustment/indexation request of the Petitioner.
- 4.32. Regarding RoRB, the reference RoRB is required to be adjusted every year based on the amount of RAB worked out for the respective year after taking into account the amount of investment allowed for that year, as per the mechanism provided in the MYT.



- 4.33. Accordingly, the revised RAB of the Petitioner for the FY 2025-26, based on the Investment allowed for the FY 2025-26 i.e. Rs.26,407 million, and incorporating therein 100% balance of CWIP, works out as Rs.85,863 million. The average RAB of the Petitioner however, for the purpose of calculation of RoRB, works out as Rs.83,216 million for the FY 2025-26.
- 4.34. Based on the above discussion, the total RoRB of the Petitioner for the FY 2025-26 works out as Rs.11,185 million based on WACC of 13.44%, as detailed below;

Debt to Equity ratio	
Debt Portion	70%
Equity Share	30%

Cost of Debt	
KIBOR as of 03.01.25	11.00%
Spread	2.00%
Total cost of debt	13.00%
RoE Allowed	14.47%

WACC	13.44%
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- 4.35. It is relevant to mention here that the Authority vide MYT determination, allowed adjustments on account of variation in KIBOR on biannual basis. The same would be adjusted subsequently once the actual KIBOR and Audited accounts of the Petitioner for the FY 2025-26, are available for true up of RORB.
- 4.36. The RoRB is being allowed to the Petitioner for both the distribution and supply of power functions. In order to bifurcate the allowed RoRB in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used, wherein, complete amount allocated to Distribution function.
- 4.37. In addition, the mechanism also provides that the allowed RAB for previous year will be trued up downward only, keeping in view the amount of investment allowed for the respective year. Further, the variations on account of KIBOR are also required to be allowed on biannual basis. In view thereof, the RoRB cost allowed for the FY 2023-24, has been trued up and made part of PYA of the Petitioner in the instant decision.
- 4.38. **Regarding Other Income**, the same has been adjusted as per the mechanism provided in the MYT determination for the FY 2025-26. The same for the FY 2025-26 is allowed as Rs.7,553 million as proposed by the Petitioner.
- 4.39. In order to bifurcate the allowed cost of Other Income in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used. Thus, the allowed amount of Other Income for the FY 2025-26 has been allocated entirely to the distribution function.

5. **Whether the requested PYA is justified?**

- 5.1. The Petitioner during the hearing submitted that Section 53 of the guidelines for determination of consumer end tariff (Methodology & Process) 2015, provides that;



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"Under-recovery or over-recovery of the cost-of-service incurred during the previous year shall be accounted for going forward during the current year under the head of prior period adjustment. This may also include impact of delayed notifications and impact of consumer mix variance".

- 5.2. It also stated that PYA is in line with Para 23.4 and 29.4 of the MYT determination of FESCO, for Supply and Distribution Tariff dated 14.03.2024. The Petitioner provided the following detail of requested PYA;

Description	Dist:	Supply	Total
Un-Recovered Distribution Margin For FY 2023-24	10,492	3,686	14,178
Minimum Tax Paid during FY 2023-24	-	5,281	5,281
Un-favorable Consumer Mix Variance for FY 2021-24	-	9,194	9,194
Under Recovered QTA for FY 2022-23 & 2023-24	-	4,484	4,484
Excess Allowed Depreciation for FY 2023-24	(615)	-	(615)
Excess Other Income Earned for FY 2023-24	(1,504)	(4,282)	(5,786)
Under Allowed PRB for FY 2023-24	2,194	771	2,965
Actuarial Loss Charged to OCI for FY 2023-24	5,403	1,899	7,302
Actuarial Loss Charged to OCI for FY 2022-23	3,706	1,302	5,008
Under Allowed RoRB for FY 2023-24	1,992	-	1,992
Under Allowed RoRB for FY 2021-22	760	-	760
Suppl. Charges (billed by CPPA-G) in excess of LPS	2,993	-	2,993
Under Recovered Quarterly Tariff Adjustments (MLR)	-	3,949	3,949
Under Allowed Actual Depreciation (MLR)	886	-	886
Total PYA for FY 2023-24	26,307	26,284	52,591

- 5.3. The submissions of the Petitioner are as under;

Un-Recovered Dist./Supply Margin (D/SM) For FY 2023-24

- ✓ The Petitioner submitted that the Authority allowed Distribution Margin (DM) of Rs.52,385 million for the FY 2023-24, however, the Distribution Margin (DM) recovered for the FY-2023-24 was Rs.38,207 million, after excluding the impact of incremental units sold to Industrial Consumer at flat rate of Rs.12.96/kWh. The DM less recovered is Rs.14,178 million (difference of amount allowed vs recovered) as given below:

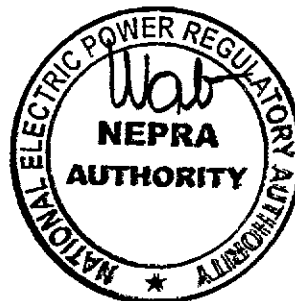
(Table-06)

Description	PKR Millions
Allowed by Authority	52,385
Recovered by FESCO	38,207
Less Recovered DM for FY 2023-24	14,178

- ✓ The Petitioner submitted that the Authority is requested to allow Rs. 14,178 million in the Prior Year Adjustment (PYA) of the FY 2023-24.

Minimum Tax Paid during FY 2023-24:

- ✓ As per MIT determination dated December 31, 2015 (Para 26.21 to 26.23) FESCO has been allowed a post-tax cost of debt and any tax paid by the company shall be passed on to the consumers on actual basis as prior year adjustment after submission of documentary proof to NEPRA. FESCO paid minimum tax of Rs.5,281 million for the FY 2023-24 as given hereunder:



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(Table-07)		(PKR Millions)
CPR No.	Date	Tax Paid
IT20230922-0101-1991065	29-09-2023	1,500
IT20231220-0101-1474912	20-12-2023	900
IT20231230-0101-1798985	30-12-2023	621
IT20240329-0101-1966610	29-03-2024	950
IT20240527-0101-1791934	27-05-2024	108
IT20240528-0101-1792813	28-05-2024	2
IT20240613-0101-1392375	13-06-2024	100
IT20240624-0101-1647189	24-06-2024	1100
Total		5,281

- ✓ The Petitioner requested the Authority to allow Rs.5,281 million on account of minimum tax paid, as Prior Year Adjustment (PYA).

Less Recovery of Quarterly Tariff Adjustments:

- ✓ The petitioner submitted that the Authority allowed Rs.51,359 million for the 4th Quarter of FY 2022-23, 1st, 2, 3rd and 4th quarter of FY 2023-24. FESCO passed on an amount of Rs.46,888 million. Due to reduction in Sales than determined by NEPRA an amount of Rs.4,484 million not passed on to consumers as per detail given below;

(Table-09)			(PKR Millions)
Description	Determined	Billed	Variance
4 th Qtr FY 2022-23	22,022	19,905	2,117
1st Qtr FY 2023-24	4,716	5,365	(649)
2nd Qtr FY 2023-24	10,857	9,918	939
3rd Qtr FY 2023-24	9,090	7,573	1,517
4th Qtr FY 2023-24	4,674	4,115	559
Total	51,359	46,888	4,484

- ✓ The Authority is requested to allow Rs.4,484 million in the Prior Year Adjustment (PYA) of FY 2023-24.

Depreciation for FY 2023-24:

- ✓ The Authority allowed Depreciation of Rs.5,459 million for FY 2023-24 vide decision No. NEPRA/ADG (Tariff)/TRF-606/2454-58 dated 14.03.2024. As per FESCO audited financial statement for FY 2023-24, the actual gross Depreciation (Original Cost Basis) for FY 2023-24 is Rs.4,844 million. The allowed depreciation was higher than the actual depreciation by Rs.615 million (difference of amount allowed & actual) as given below;

(Table-11)		PKR Millions
Description		
Allowed by Authority		5,459
Actual Depreciation		4,844
Excess Allowed Depreciation for FY 2023-24		615

- ✓ The Authority is requested to adjust Rs.615 million in the Prior Year Adjustment (PYA) of FY 2023-24.

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Other Income for FY 2023-24:

- ✓ The Authority allowed Other Income of Rs.3,718 million for FY 2023-24 vide decision dated March 14,2024. As per FESCO audited financial statement for FY 2023-24, the actual Other Income earned for the FY 2023-24 is Rs.9,504 million. Thus, FESCO earned an extra Other Income of Rs.5,786 million (difference of amount allowed and actual) than allowed by Authority for FY 2023-24. Detailed is given as under;

(Table-12)

Description	PKR Millions
Allowed by Authority	3,718
Actual Other Income	9,504
Excess Other Income earned for FY 2023-24	5,786

- ✓ The Authority is requested to adjust Rs.5,786 million in the Prior Year Adjustment (PYA) of FY 2023-24 earned above the allowed/determined.

Less Allowed Post-Retirement Benefits (PRB) for FY 2023-24:

- ✓ The Authority allowed Post-Retirement Benefits of Rs.17,380 million for the FY 2023-24 vide decisions dated March 14,2024. NEPRA in its decision dated March 14, 2024 (referred para 14.10) decided that being an un-controllable cost, Post Retirement Benefits would be actualized based on the audited accounts of the Petitioner for the relevant year. As per FESCO audited financial statement, the provision for Post Retirement Benefits for the FY 2023-24 is Rs.20,345 million. Post-Retirement Benefits (PRB) of Rs.2,965 million (difference of amount allowed and provision) less allowed by authority for FY 2023-24 as detailed below;

(Table-13)

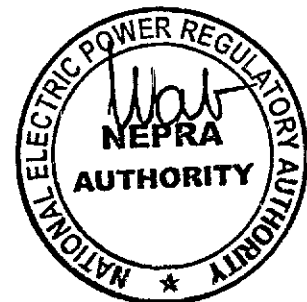
Description	PKR Millions
Allowed by Authority	17,380
Actual PRB	20,345
Less Allowed PRB for FY 2023-24	2,965

- ✓ The Authority is requested to allow the Post Retirement Benefits (PRB) of Rs.2,965 million in the Prior Year Adjustment (PYA) of FY 2023-24.

Sales Mix Variance:

- ✓ The Authority in the matter of Annual Adjustment/indexation for the FY 2024-25 dated June 14, 2024 directed FESCO to provide reconciled data of sales mix with its reported revenue as per audited financial statement of the respective year. In compliance, the reconciled data of Sales Mix with revenue reported in the audited Financial Statement for FY 2020-21 to FY 2023-24. FESCO also provided consumer mix variance for the FY 2021-22; 2022-23 & 2023-24 vide letter No.905 dated 20.01.2025. Summary of consumer mix variance is as under:

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(Table-08)

Year	PKR Millions
2020-21	1,348
2021-22	5,880
2022-23	1,268
2023-24	698
Total	9,194

- ✓ The Petitioner requested the Authority to allow Rs.9,194 million in the Prior Year Adjustment (PYA) of FY 2023-24.

Excess Supplemental Charges:

- ✓ Central Power Purchasing Agency Guarantee (CPPA-G) Limited billed Supplemental Charges of Rs.8,722 million to FESCO on account of late Payments to IPPs/Power Generators during FY 2023-24.
- ✓ The Late Payment Surcharge (LPS) collected by FESCO from consumers during the said year remained Rs.5,729 million. Thus, CPPA-G billed excess amount of Rs.2,993 Million than the LPS collected by FESCO. Month wise invoices raised by CPPA-G are given below;

(Table-10)

Sr #	Invoice No	Period	PKR Millions
1	LPS/Jul-23/FESCO	07-2023	1,258
2	LPS/Aug-23/FESCO	08-2023	1,279
3	LPS/Sep-23/FESCO	09-2023	389
4	LPS/Oct-23/FESCO	10-2023	719
5	LPS/Nov-23/FESCO	11-2023	744
6	LPS/Dec-23/FESCO	12-2023	415
7	LPS/Jan-24/FESCO	01-2024	588
8	LPS/Feb-24/FESCO	02-2024	1,030
9	LPS/Mar-24/FESCO	03-2024	559
10	LPS/Apr-24/FESCO	04-2024	611
11	LPS/May-24/FESCO	05-2024	445
12	LPS/June-24/FESCO	06-2024	685
Total			8,722
Less: LPS Collected during FY 2023-24			5,729
Suppl. Charges (Billed by CPPA-G) in excess of LPS			2,993

- ✓ The Authority is requested to allow Rs.2,993 million in the Prior Year Adjustment (PYA) of FY 2023-24.

Proposal for Adjustment of LPS & Supplemental Charges:

- ✓ Under the current NEPRA tariff regime, Late Payment Surcharge (LPS) earned by FESCO from consumers is adjusted against the Supplemental Charges billed by CPPA-G. If the LPS amount exceeds the Supplemental Charges, the excess is passed back to consumers through tariff adjustments. However, when Supplemental Charges exceed LPS, the additional burden is not allowed for recovery beyond the LPS amount, resulting in a financial strain on the company. Given that these fluctuations vary annually it is proposed that the netting off of LPS and Supplemental Charges be carried out over a five-year Tariff Control Period instead of annually. This approach under the Multi-Year Tariff



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(MYT) framework would ensure a more equitable adjustment of LPS and Supplemental Charges.

Actuarial Loss Charged to OCI for FY 2023-24:

- ✓ FESCO stated that Actuarial loss of Rs.7,302 million for the FY 2023-24 charged to Other Comprehensive Income (OCI) as a result of re-measurement of Post-Retirement Benefits Obligations of FESCO employees. Breakup of which is given below;

(Table-14)				(PKR Millions)
Pension	Free Supply	Leave Encashment	Free Medical	Total
(50)	6,198	-	1,154	7,302

- ✓ The Authority is requested to allow the Post-Retirement Benefits of Rs.7,302 Million in the Prior Year Adjustment (PYA) of FY 2023-24.

Actuarial Loss Charged to OCI for FY 2022-23:

- ✓ The Petitioner submitted that FESCO in the Annual Adjustment/Indexation for FY 2022-23 filed with NEPRA vide letter No.2030-31 dated 28-03-2024 has requested authority to allow actuarial loss of Rs.5,008 Million for FY 2022-23 in the prior year adjustment. Authority in its decision dated June 14, 2024 (referred para 5.20) stated that Authority may consider this request of the petitioner going forward, keeping in view the pension obligation of the petitioner, amount deposited in the Fund and quantum of future tariff increases. Considering the increase in tariff for the FY 2024-25, owing to rebasing and annual indexation/ adjustment of XWDISCOs Distribution/Supply Margin for the FY 2024-25, the Authority has decided not to allow this amount in the instant adjustment request. The Authority is requested to allow Rs.5,008 million actuarial loss charged to OCI for FY 2022-23 in the PYA of FY 2023-24.

True up of RoRB for FY 2023-24:

- ✓ The Authority allowed RoRB of Rs.13,910 million for FY 2023-24 based on allowed investment in the Distribution Integrated Investment Plan (DIIP). Authority in the MYT Tariff determination for the Tariff control period FY-2023-24 to FY 2027-28 also prescribed adjustment mechanism wherein KIBOR to be adjusted bi-annually. Resultantly RoRB for FY 2023-24 trued up by taking 03 months KIBOR of July 2023 & January 2024 respectively based on actual investment of FY 2023-24. Actual RoRB for FY 2023-24 comes to Rs.15,902 million. Hence, RoRB for FY 2023-24 less allowed by Authority to the extent of Rs.1,992 million as given below:

(Table-15)	
Description	PKR Millions
Allowed by Authority	13,910
Revised RoRB for FY 2023-24	15,902
Less Allowed RoRB for FY 2023-24	1,992



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True up of RoRB for FY 2021-22:

- ✓ The Authority trued up RoRB for FY 2021-22 in determination of Distribution Tariff under MYT Regime for FY 2023-24 to FY 2027-28 in its decision dated March 14, 2024 (referred para 25.15) as under:

(Table-16)

Description	PKR Millions
Gross Fixed Assets in Operation – Op. Balance	96,438
Add: Addition/Transfer in Fixed Assets (Net)	15,800
Fixed Assets in Operation – Closing Balance	112,237
Less: Accumulated Depreciation	(37,330)
Net Fixed Assets in Operation	74,907
Add: Assets Under Construction(AUC) – Cl. Balance	18,233
Total Fixed Assets	93,140
Less: Finance Cost Capitalization	577
Less: Deferred Credits	47,274
Regulatory Assets Base	45,289
Average Regulatory Assets Base (RAB)	42,107
WACC	13.22%
RORB = RAB * WACC	5,605

- ✓ As per FESCO Audited Financial Statement for FY 2021-22, deferred credit is Rs.35,194 million, whereas Authority has taken deferred credit as Rs.47,274 million. Resultantly Authority has taken excess deferred credit of Rs.12,080 million.
- ✓ Based on FESCO audited Financial Statements for FY 2021-22 the actual RoRB for FY 2021-22 is as under:

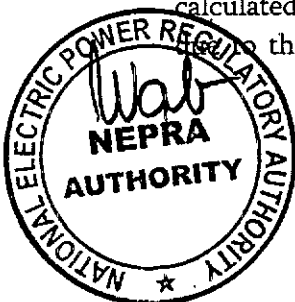
(Table-20)

Description	PKR Million
Gross Fixed Assets in Operation – Op. Balance	96,438
Add: Addition/Transfer in Fixed Assets (Net)	15,800
Fixed Assets in Operation – Closing Balance	112,237
Less: Accumulated Depreciation	(37,330)
Net Fixed Assets in Operation	74,907
Add: Assets Under Construction(AUC) – Cl. Balance	18,233
Total Fixed Assets	93,140
Less: Finance Cost Capitalization	577
Less: Deferred Credits	35,194
Regulatory Assets Base	57,369
Average Regulatory Assets Base (RAB)	48,147
WACC	13.22%
RORB = RAB * WACC	6,365

- ✓ The Authority is requested to allow Rs.760 million (difference of already trued up RoRB Rs.5,605 million and revised RORB Rs.6,365 million) in the Prior Year Adjustment (PYA) of FY 2023-24.

Less Recovery of Quarterly Adjustments

- ✓ FESCO in its review petition filed with NEPRA vide No.25 dated 03.07.2024 and during the hearing requested to adjust the difference of recovered/ billed QTA amount as calculated by Authority and FESCO's actual recovered/billed QTA. This primarily arose due to the inclusion of incremental units billed at a flat rate of Rs.12.96 per unit in



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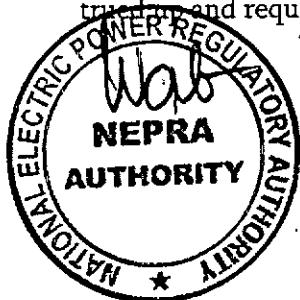
NEPRA's QTA recovery calculation. Additionally, there was a variance in lifeline units of 265 MWh units considered by NEPRA for QTA recovery compared to the actual units reported by FESCO.

- ✓ In its decision, NEPRA directed the reconciliation of units billed to lifeline consumers, domestic consumers (consuming up-to 300 units) and Agriculture consumers for the period FY 2020-21 to FY 2023-24. FESCO has approached PITC vide letter dated 19.02.2025 to provide reconciled data regarding units billed to lifeline consumers, domestic consumers (consuming up-to 300 units) and Agriculture consumers for the period FY 2020-21 to FY 2023-24. Reconciled data will be provided to Authority in due course of time. However, NEPRA overlooked the impact due to inclusion of incremental units for FY 2021-22 as no Quarterly Tariff Adjustment (QTA) was to be charged on the incremental consumption as per Authority SRO No.1292/ dated December 03, 2020 and the subsequent QTA recovery on these units. This aspect was not covered under the relevant Authority decision and SRO.
- ✓ In light of the foregoing, the amount calculated by NEPRA as recovered from incremental units stood at Rs.1,191 million for FY 2021-22 which should be allowed in the PYA of the instant indexation. Additionally, Rs.2,758 million should be allowed due to variance in life line units considered by NEPRA for QTA recovery and actual units reported by FESCO.

Under Assessed Actual Depreciation (MLR):

- ✓ In compliance of Authority's direction in the matter of FESCO Motion for Leave for Review against Determination of Authority regarding Distribution tariff Petition under MYT regime for the period FY 2023-24 to FY 2027-28 dated February 12, 2025, FESCO has also approached Company external Auditors Ms. Riaz Ahmad & Co vide letter No.1002 dated 25.02.2025 to provide a certificate regarding assets and accumulated depreciation retired during FY 2021-22 & 2022-23 on the analogy of Financial Statement ending June 30, 2024. The same will also be provided to Authority as and when is provided by Auditor. Hence, the Authority is requested to allow Rs.886 million in the Prior Year Adjustment (PYA) of FY 2023-24.

- 5.4. The submissions made by the Petitioner have been analyzed and point wise discussion is as under;
- 5.5. Regarding RoRB for the FY 2021-22, the Authority while allowing the true up, calculated the amount of deferred credit not only based on the audited accounts of the Petitioner but also keeping in view the amount of receipts against deposit works and Security deposits vis a vis amount available with the Petitioner in banks and the balance of stores and spares. The shortfall of receipts against deposit works and Security deposits, was adjusted as part of deferred credits.
- 5.6. Regarding true up of RoRB for FY 2023-24, the same as per the allowed mechanism has been tried and required adjustment has been included as part of PYA.



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- 5.7. On the point of Actuarial Gain/Loss charged to OCI for previous years, the Authority while deciding the MYT of FESCO vide decision dated 14.06.2024 decided to allow the Petitioner, provision for Postretirement benefits, for the FY 2023-24. The Authority also decided to actualize the post-retirement benefits cost of the Petitioner for the relevant year, based on its audited accounts. The impact of any such adjustment would be allowed as part of PYA in the next indexation/ adjustment request or tariff determination as the case may be. As per the Audited accounts of the Petitioner for the FY 2023-24, its provision for post-retirement benefits charged to P&L is Rs.20,345 million, as against the allowed amount of Rs.17,380 million. Therefore, in line with the allowed mechanism, the difference of Rs.2,965 million for the FY 2023-24 has already been allowed to FESCO as part of PYA. The claim of the Petitioner to allow additional amount on account of previous actuarial gain/loss charged to OCI of previous years, therefore, does not merit consideration.
- 5.8. Regarding supplemental charges, the Authority has not allowed Supplemental charges separately rather XWDISCOs are allowed to retain the amount of Late Payment charges (LPC) to off-set the impact of supplemental charges billed by CPPA-G. In view thereof, the amount of LPC has not been accounted for while adjusting the amount of other income, therefore, the request of the Petitioner to allow any additional cost on account of supplemental charges or adjust the same over a period of five years may not be considered.
- 5.9. On the point of sales mix, it is pertinent to mention here that Sales mix variance for the FY 2020-21 and FY 2021-22 has already been allowed to FESCO as part of PYA in the MYT determination of FESCO dated 14.03.2024. For remaining years i.e. FY 2022-23 and FY 2023-24, the sales mix variance has been included as part of PYA.
- 5.10. Keeping in view the submission of FESCO and in light of the mechanism provided in the MYT determination, PYA of FESCO under various heads, has been worked out as per the allowed mechanisms of the MYT and the same is mentioned in the table at the end of working paper. In addition, the overall revenue requirement of FESCO for FY 2025-26 in the matter of its annual indexation/ adjustment for FY 2025-26 is also mentioned at the end of Report in the consolidated table for all DISCOs.
- 5.11. The concerns of the Petitioner on account of under recovery of the allowed quarterly adjustments, have been addressed while working out the instant PYA and accordingly an amount of Rs.3,302 million is being allowed on account of under recovery of quarterly adjustments.
- 5.12. The matter regarding under assessed Depreciation has already been decided by the Authority in the MLR decision of FESCO dated 12.02.2025, whereby the Petitioner was directed to provide an Audit Certificate in the matter. As no such certificate has been submitted by the Petitioner, therefore, the Authority may consider NOT to allow any cost till such time.
- 5.13. Keeping in view the above discussion, submissions of FESCO and mechanism provided in the MYT determination, the PYA of FESCO under various heads, has been worked out as detailed hereunder;

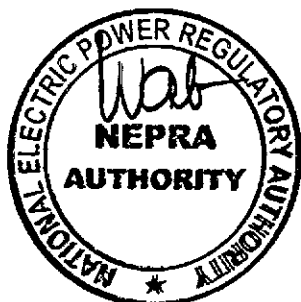


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*Decision of the Authority in the matter of request filed by FESCO for
Adjustment / Indexation of Tariff for the FY 2025-26 under the MYT*

Description	Unit	FESCO
1st Qtr. FY 2023-24 (Jan. Mar. 24)		
Allowed Amount		304
Qtr. Rs./kWh		0.15
Recovered		374
Under/(Over) Recovery		- 70
2nd Qtr. FY 2023-24 (Apr. Jun. 24)		
Allowed Amount		10,857
Qtr. Rs./kWh		2.39
Recovered		9,337
Under/(Over) Recovery		1,520
3rd Qtr. FY 2023-24 (Jul. Aug. 24)		
Allowed Amount		9,293
Qtr. Rs./kWh		2.57
Recovered		11,515
Under/(Over) Recovery		- 2,222
4th Qtr. FY 2023-24 (Sep. Nov. 24)		
Allowed Amount		4,674
Qtr. Rs./kWh		1.29
Recovered		4,138
Under/(Over) Recovery		536
1st Qtr. FY 2024-25 (Dec. 24)		
Allowed Amount		- 3,630
Qtr. Rs./kWh		- 1.00
Recovered		- 779
Under/(Over) Recovery		- 2,852
FCA Impact - Adjusted as PYA	Rs. Mln	29
D.M FY 2023-24		
Allowed Amount	Rs. Mln	43,564
Rate. Rs./kWh	Rs./kWh	2.81
Recovered	Rs. Mln	38,326
Under/(Over) Recovery	Rs. Mln	5,038
Other Cost related to PYA		
RORB FY 2022-23 True up		-
Depreciation FY 2022-23 True up		-
Other Income FY 2022-23 True up		-
Previous PYA difference		3,302
Minimum Tax		5,281
P.M Assistance Package		-
Total		8,583
Sales Mix Var.		
FY 2022-23	Rs. Mln	1,183
FY 2023-24	Rs. Mln	698
Total	Rs. Mln	12,443
MYT True Ups		
FY 2023-24		
Provision for Post Retirement Benefit		
Allowed	Rs. Mln	20,427
Benefit Paid/ Provision		17,380
(Shortfall)/ Excess		32,908
		12,481
Pay & Allowances		
Allowed	Rs. Mln	15,345
Actual	Rs. Mln	15,029
Under/(Over) Recovery	Rs. Mln	316
Depreciation		
Allowed	Rs. Mln	5,459
Actual	Rs. Mln	4,364
Under/(Over) Recovery	Rs. Mln	1,095
RoRB (Investment + KIBOR)		
Allowed	Rs. Mln	13,910
Actual	Rs. Mln	14,151
Under/(Over) Recovery	Rs. Mln	241
Other Income		
Allowed	Rs. Mln	3,718
Actual	Rs. Mln	9,504
Under/(Over) Recovery	Rs. Mln	- 5,786
Total MYT True Ups	Rs. Mln	- 3,990
G. Total PYA	Rs. Mln	8,452



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6. **Whether the proposal to apply limit on making higher investment than the allowed amount at the end of MYT control period instead of annual basis merits consideration?**

- 6.1. The Petitioner on the issue submitted that NEPRA allowed an investment/CAPEX of Rs.75.217 billion for the five years Tariff control period under the category "own source" to be financed through Distribution Margin. Summary is given below:

(Table-21)					(PKR Millions)	
Description	2024	2025	2026	2027	2028	Total
Own Source						
DOP	4,430	3,600	3,505	3,615	4,116	19,265
ELR	3,487	4,561	5,255	4,802	4,711	22,816
STG	6,076	6,774	6,897	8,071	4,903	32,721
ERP	91	70	77	85	93	416
Sub Total	14,084	15,005	15,733	16,573	13,823	75,217

- 6.2. The Authority in Para 22.2 of distribution tariff dated 14.03.2024 stated that the allowed RAB for previous year will be trued up downward only, keeping in view the amount of investment allowed for the respective year. In case, the Petitioner ends up making higher investments than the allowed, the same would be the Petitioner's own commercial decision and would not be considered while truing up the RAB.
- 6.3. It is requested that the limitation on making higher investment than allowed should only apply at the end of the five-year MYT period, i.e., in FY 2027-28, rather than on an annual basis. This will ensure for greater financial flexibility in executing multi-year investment plans and that short-term variations in annual investments do not lead to immediate downward adjustments in the RAB.
- 6.4. A five-year assessment aligns with the long-term nature of infrastructure investments and provides a more realistic reflection of capital expenditures.
- 6.5. **Investment by Consumers:** Furthermore, we understand that limitation of making higher investment imposed by NEPRA is also applied to the investments made through "consumer finance" like new connection, deposit work, village electrification & SDGs etc. which are entirely financed by the consumers themselves as approved in the MYT determination from FY 2023-24 to FY 2027-28. Summary is given below:

(Table-22)					(PKR Millions)	
Description	2024	2025	2026	2027	2028	Total
GoP/Consumer						
Capital Receipt	5,030	5,171	5,747	6,023	6,482	28,452
Deposit Work (STG)	2,018	1,776	1,465	1,074	1,182	7,515
SDGs (SAP)	3,810	4,014	3,381	3,812	3,595	18,611
Total	10,858	10,961	10,593	10,908	11,258	54,578



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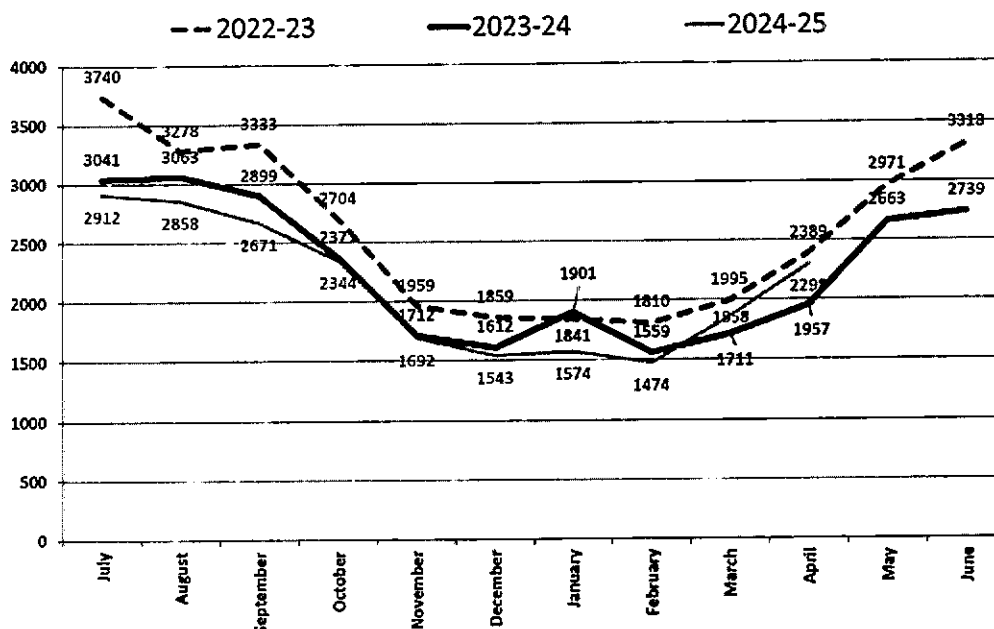
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- 6.6. FESCO has a statutory obligation under Consumer Service Manual to provide electricity connections to all eligible consumers. Since these investments are funded through consumer funds therefore limiting their recognition to the extent of allowed investment is not justified & consistent with the regulatory framework governing consumer rights
- 6.7. The Authority is requested to consider this proposal & relax it to the extent of actual investment to ensure a fair and balanced approach.
- 6.8. The Authority noted that FESCO's five-year investment plan has already been approved by the Authority vide decision 20.04.2023. If the Petitioner desires to have any amendment in the allowed investment plan or its adjustment methodology, it may file a separate request/modification petition against its approved investment plan.
7. Whether the existing quantum of fixed charges along-with application mechanism for different consumers categories needs to be revised in order to ensure recovery of fixed cost portion of revenue requirement in line with Strategic Directives given in NE Plan?
- 7.1. On the issue of fixed charges, the Petitioner during the hearing submitted that existing Tariff Rate design needs to be modified, to levy fixed charges on all consumer categories through applying fixed charges/consumer/month in line with SD given in NE Plan. The rate of charging Fixed Charges/Consumer/Month should be rationalized/enhanced. Further Fixed Charges/KW should also be increased on the basis of 50% of Sanctioned load. This will be helpful to ensure recovery of fixed cost portion of revenue requirement.
- 7.2. Regarding quantum of fixed charges and their application mechanism, the Authority noted that average tariff for the FY 2025-26 has decreased by approximately Rs.1.5/kWh as compared to FY 2024-25. If the rate of fixed charges for FY 2025-26 is maintained at the same level as of FY 2024-25, the effective percentage of fixed charges being recovered, as of total cost, would slightly increase in FY 2025-26 as compared to FY 2024-25. In view thereof, the Authority has decided to maintain the rate of fixed charges along-with its application mechanism, at the same level as of FY 2024-25 for the FY 2025-26.
8. Whether the peak and off-peak timing and rate design needs to be revised, keeping in view the changing demand patterns?
- 8.1. On the issue of peak and off-peak timing and rate design, the Petitioner stated that Peak and Off peak timing and rate design may be reviewed keeping in view the overall country's Peak, Demand time slabs, System Stability. It was stated that FESCO's Peak Demand was recorded 15:30 HRS (FY 2022-23), 14:30 HRS (FY 2023-24) and 23:30 HRS upto 16-04-2025 during FY 2024-25. The Petitioner provided the following graph in this regard;



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8.2. The Petitioner proposed the following revised peak off-peak hours;

Months	Existing	Proposed
DECEMBER TO FEBRUARY	05 PM TO 09 PM	06 PM TO 10 PM
MARCH TO MAY	06 PM TO 10 PM	07 PM TO 11 PM
JUNE TO AUGUST	07 PM TO 11 PM	08 PM TO 12 PM
SEPTEMBER TO NOVEMBER	06 PM TO 10 PM	07 PM TO 11 PM

8.3. Regarding the issue of peak- off-peak timings and its rate design revision, the Authority noted that vide its decision dated 09.05.2025, keeping in view the technical and financial challenges faced by Distribution Companies (DISCOs) arising from the growing penetration of Distributed Generation (DG), as well as the misalignment between actual system peak and off-peak demand and the designated peak/off-peak hours used in consumer-end tariff determinations, the DISCOs have already been directed to undertake a comprehensive study as outlined below, to thoroughly examine these issues and be submitted within four months for the Authority's consideration.

- Comprehensive study on the impact of existing time-of-use (ToU) tariff timings and proposed measures for aligning demand with evolving load patterns
- Comprehensive assessment of the financial and technical impacts of distributed solar photovoltaic (PV) integration on distribution utility operations and infrastructure

8.4. The Authority has further directed all DISCOs to jointly develop, through mutual consultation, a uniform Terms of Reference (ToR) to carry out the above studies and submit the same to NEPRA within two weeks of the issuance of this determination for the Authority's approval.



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- 8.5. In view thereof, the revision in peak and off-peak timings, if required, would be considered, once the aforementioned studies are submitted by the DISCOs. Accordingly, the Authority has decided to continue with the existing mechanism of peak / off-peak hours and prevailing rate design.
9. **Whether the schedule of tariff be designed on cost-of-service basis or otherwise?**
- 9.1. The Petitioner during the hearing submitted that schedule of tariff be designed on the basis of Cost of Service to reflect true cost associated with each category of tariff keeping in view the inter-tariff cross subsidy element mentioned under National Electricity Plan 2023-27 vide Strategic Directive No. 82, 83 and 84. Subsidy to the protected residential consumers may be continued until devising of proper mechanism for subsidy disbursement as per SD 67 and related action plan as mentioned in SD 68 of National Electricity Plan
- 9.2. The Authority observed that as per NE Plan 2023-27 under SD 82, Tariffs for residential consumers shall be progressively adjusted to align with the principle of cost-of-service, taking into account the following:
- ✓ Subsidies to the protected categories of residential consumers shall be disbursed directly pursuant to the detailed action plan to be developed under Strategic Directive 067;
 - ✓ Residential consumers (below cost recovery) shall be cross subsidized by:
 - i. industrial & commercial consumers, pursuant to the Strategic Directive 084;
 - ii. Other residential consumers (above cost recovery).
- 9.3. Similarly, SD 83 states that Tariff structure for agricultural consumers shall be segmented into sub-categories, taking into account the following:
- ✓ subsidies to the agricultural consumers shall be disbursed pursuant to the detailed action plan to be developed under Strategic Directive 068;
 - ✓ Agricultural consumers (below cost recovery) shall be cross-subsidized by:
 - i. industrial & commercial consumers, pursuant to the Strategic Directive 084;
 - ii. Other agricultural consumers (above cost recovery).
- 9.4. Further, SD 84 provides that cross-subsidy by the productive consumers, to subsidize residential and agricultural consumers, shall be progressively restricted to 20% of the respective cost of service of such consumers by FY-2026.
- 9.5. The Authority noted that as per different provisions of NE Plan mentioned above, tariff for residential consumers is progressively to be aligned with the principle of cost-of-service, and till such time, residential consumers below cost of service shall be cross subsidized by Industrial and Commercial consumers and other residential consumers. Similarly, for Agriculture consumers, the tariff structure same shall be segmented into sub-categories and agriculture consumers below cost of service shall be cross subsidized by Industrial and Commercial consumers and other agriculture consumers.
- 9.6. In view thereof, the Authority has decided to gradually reduce the quantum of cross subsidization among different consumer categories and the SoTs for the FY 2025-26, have been designed accordingly.



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10. **FESCO to present its Power Purchases Price (Energy & Cost) for the FY 2025-26, keeping in view the Section 32 of NEPRA Act and NEPRA Power Procurement Regulations?**

- 10.1. The Petitioner during hearing submitted that as per NEPRA Guidelines for determination of consumer end tariff (Methodology and Process) notified vide SRO 34(1)/2015 dated 16.01.2015, CPPA-G has to submit Procurement Plan to NEPRA for approval of Power Purchase Cost. CPPA-G and NEPRA can better project the PPP references for the FY 2025-26, keeping in view the ground realities, economic factors and IGCEP etc. for the entire sector. However, for the sake of arriving at overall Revenue Requirement of FESCO, the Power Purchase Price (PPP) has been assessed based on actual/provisional data for FY 2024-25 as under;

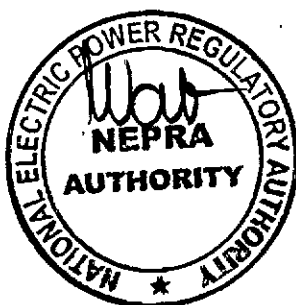
Description	Total	
	Rs. Mln	Rs. /kWh
A- Power Purchase Price		
Energy Charges	159,633	10.65
Capacity Charges	209,154	13.96
UoSC & MOF	20,266	1.35
Total PPP	389,053	25.96

- 10.2. The Authority noted that Power Purchase Price (PPP) forecast of the Petitioner as well for all XWDISCOs for the FY 2025-26 has since been determined by the Authority through a separate decision, detailing the assumptions of the forecast and relevant share of the Petitioner. In view thereof, the Authority does not see any rationale to discuss this issue again herein in the instant decision. However, for the purpose of calculation of overall revenue requirement of the Petitioner, the PPP forecast for the FY 2025-26 as determined by the Authority, has been made part of the overall Revenue Requirement of the Petitioner. Further, Annex-II of the PPP decision, to the extent of the Petitioner, has been attached as Annex-IV with the instant decision. The PPP forecast of the Petitioner for the FY 2025-26 shall be used as reference for future adjustments of PPP including the monthly and quarterly adjustments.

11. **Whether the Petitioner has complied with directions issued by the Authority?**

- 11.1. The Petitioner during the hearing provided the following updates in the matter;

- ✓ On the direction of reconciliation of data of sales mix, the Petitioner submitted that reconciled data of sales mix for FY 2020-21, FY 2021-22, FY 2022-23 & FY 2023-24 has been provided in its annual adjustment/ indexation for FY 2025-26.
- ✓ On the direction to provide details of GENCO employees, the Petitioner has provided the requisite details.
- ✓ Regarding detail of amounts deposited in the Fund, the Petitioner provided the said details along-with its Petition.



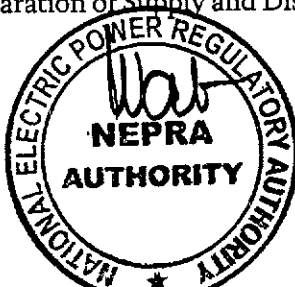
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- ✓ On the point of provision of IDC amount, the Petitioner stated that FESCO reflected last IDC amount in FS of FY 2020-21. After that all the projects completed & capitalized and currently there is no IDC & the markup is charged to Profit or Loss Statement.
- ✓ Regarding direction to get its data of units billed to lifeline consumers, domestic consumers (consuming up to 300 units) and Agriculture consumers', reconciled with PITC, the Petitioner submitted that it has already submitted the reconciled data regarding units billed to lifeline consumers, domestic consumers (consuming up to 300 units) and Agriculture consumers for the period from FY 2020-21 to FY 2023-24 vide letter dated 21.03.2025.
- ✓ On the point of different proposals of tariff design so as to make it more efficient and cost reflective with the objective to maximize the utilization of available capacity, the Petitioner has proposed
 - **Incentive Package for Increased Consumption;**
 - ✓ Rebates (10-15%) for exceeding historical consumption by 10-20%
 - ✓ Time-of-Use (ToU) rates: 20-30% lower during off-peak hours.
 - **Industrial discounts:** 5-10% for 10-20% higher usage.
 - **Revised Tariff with Reduced Rates for Higher Usage:**
 - ✓ Inverted Slabs (Replace the existing progressive slab system (where tariffs increase with consumption) with a regressive or flat structure for higher consumption tiers)
 - ✓ Bulk discounts: For higher consumption/month.
 - **Seasonal rates: Reduced Rates in winter to boost demand.**
 - **Context-Specific Proposals:**
 - ✓ Net billing for solar: Export at reduced import rate, cap system size.
 - ✓ EV charging: At reduced rates for overnight charging to leverage off-peak capacity
- ✓ Regarding preparation of restructuring plan in consultation with the Federal Government, the Petitioner submitted that it has challenged NEPRA's decision dated 09.05.2023 & 27.12.2023 regarding grant of Distribution & Supplier of Last Resort (SoLR) Licenses before the NEPRA Appellate Tribunal (NAT) Islamabad, particularly Article No 33 & 28 of the impugned licenses, regarding functional & legal separation of supply and distribution business. The NAT granted interim relief to FESCO in the appeals accordingly. Federal Government notified Eligibility Criteria in September 2023, which is as under;

Provision with respect to the Supplier of Last Resort (01) only an applicant holding a distribution license shall be eligible to obtain a Supplier of Last Resort license from the Authority in its specified Service Territory as defined in the distribution license.

- ✓ The Ministry of Energy (Power Division) vide letter dated 14.11.2024 already taken the matter with NEPRA in this regard and has unequivocally conveyed their policy position regarding the legal separation of Supply and Distribution Business of XWDISCOs. FESCO



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also vide No.6330 dated 20.02.2025, filed request before NEPRA to modify the legal separation of supply and distribution business without prejudice to the rights of FESCO and the contents of FESCO's appeals which is pending adjudication before the NAT.

- ✓ On the point of recording MDI for all consumers at all levels, the Petitioner stated that for most of the consumers having ToU Meters MDI is already being recorded. While single phase meters do not have MDI recording feature for which the respective meters manufacturing companies can be approached to develop such feature through programming.

12. Revenue Requirement

- 12.1. In view of the discussion made in preceding paragraphs and accounting for the adjustments discussed above, the adjusted revenue requirement of the Petitioner, for the FY 2025-26 is as under;

Description	Unit	Allowed FY 2025-26	
		DoP	SoP
Units Received	[MkWh]	15,692	15,692
Units Sold	[MkWh]	14,432	14,432
Units Lost	[MkWh]	1,260	1,260
Units Lost	[%]	8.03%	8.03%
Energy Charge			151,418
Capacity Charge			234,008
Transmission Charge & Market			22,980
Operation Fee			42,081
Wire Business UoSC + PYA			42,081
Power Purchase Price	[Mln. Rs.]	-	450,487
Pay & Allowances		15,481	3,217
Post Retirement Benefits		15,598	4,747
Repair & Maintenance		1,242	67
Traveling allowance			
Vehicle maintenance		(711)	4,747
Other expenses			
O&M Cost		31,611	12,778
Depreciation		6,839	-
RORB		11,185	-
O.Income		(7,553)	-
Margin	[Mln. Rs.]	42,081	12,778
Prior Year Adjustment			8,452
Revenue Requirement	[Mln. Rs.]	42,081	471,717
Average Tariff	[Rs./kWh]	2.92	32.69

- 12.2. The above determined revenue shall be recovered from the consumers through the projected sales of 14,432 GWhs, as per Annex – II.
- 12.3. The above assessment has been carried out based on the data/information provided by the Petitioner, which the Authority believes is correct and based on facts. In case of any deviation / misrepresentation observed at a later stage, the Petitioner shall be held responsible for the consequences arising out, under NEPRA Act, Rules and Regulations made thereunder. Any consequential adjustment, if required will be made accordingly.



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13. **ORDER**

13.1. From what has been discussed above, the Authority hereby approves the following adjustments in the MYT of the Petitioner Company for the Financial Year 2025-26;

- I. Lahore Electric Supply Company Limited (LESCO), being a supplier, is allowed to charge its consumers such tariff as set out in the schedule of tariff for LESCO annexed to the decision.
- II. In addition to compensation of losses, LESCO, being a distribution licensee, is allowed to charge the users of its system a "Use of system charge" (UOSC) as under:

Description	For 132 kV only	For 11 kV only	For both 132kV & 11 kV
Asset Allocation	29.95%	43.01%	72.96%
Level of Losses	1.42%	5.60%	6.94%
UoSC Rs./kWh	1.21	1.98	3.26

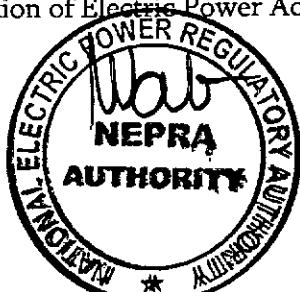
- III. The Petitioner shall comply with, all the existing or future applicable Rules, Regulations, orders of the Authority and other applicable documents as issued from time to time.
- IV. To file future monthly & quarterly adjustments on account of Power Purchase Price (PPP) in line with MYT determination,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

14. **Summary of Direction**

14.1. The Authority hereby directs the Petitioner to;

- provide the reconciled date of sales mix with its reported revenue as per audited financial statements each year.
- provide details of GENCO employees, if any, in terms of pay scales, terms of adoption, approvals of competent authority for such adoption and placement details along-with their financial impact every year.
- provide year wise detail of amounts deposited in the Fund, amount withdrawn along-with profit/interest earned thereon since creation of Fund each year.
- provide the IDC amount with subsequent adjustment request and reflect the same in its Audited Financial Statements each year.
- get its data, regarding units billed to lifeline consumers, domestic consumers (consuming up-to 300 units) and Agriculture consumers, reconciled with PITC and submit such reconciliation to the Authority every year.
- ensure that by the time it files its next tariff petition/ adjustment request, MDI for all consumers at all levels is properly recorded.

14.2. Decision of the Authority, is hereby intimated to the Federal Government for filling of uniform tariff application in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.



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

AUTHORITY

Rafique Ahmed Shaikh

Rafique Ahmed Shaikh
Member

Amina Ahmed

Amina Ahmed
Member

Engr. Maqsood Anwar Khan

Engr. Maqsood Anwar Khan
Member

Waseem Mukhtar

Waseem Mukhtar
Chairman



FUEL PRICE ADJUSTMENT MECHANISM

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

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

Where:

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

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

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

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



QUARTERLY ADJUSTMENT MECHANISM

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

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

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

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

Impact of T&D losses on FCA

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

Where;

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

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

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



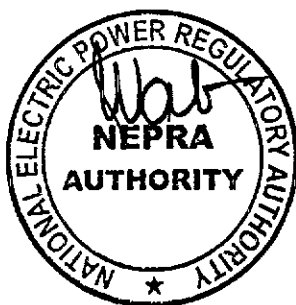
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Faisalabad Electric Supply Company (FESCO)
Estimated Sales Revenue on the Basis of New Tariff

Description	Sales	Revenue			Base Tariff			PYA		Total Tariff		
	GWh	Fixed Charge	Variable Charge	Total	Fixed Charge	Fixed Charge	Variable Charge	Amount	Variable Charge	Fixed Charge	Fixed Charge	Variable Charge
		Min. Rs.	Min. Rs.	Min. Rs.	Rs./Con/ M	Rs./KW/ M	Rs./kWh	Min. Rs.	Rs./ kWh	Rs./Con/ M	Rs./KW/ M	Rs./ kWh
Residential												
For peak load requirement less than 5 kW							9.90					9.90
Up to 50 Units - Life Line	7	-	67	67	-	-	14.41			-	-	14.41
51-100 units - Life Line	11	-	158	158	-	-	29.45	1,181	0.59	-	-	30.04
01-100 Units	2013	-	59,299	59,299	-	-	31.83	229	0.59	-	-	32.42
101-200 Units	390	-	12,413	12,413	-	-						
01-100 Units	443	-	13,683	13,683	-	-	30.87	260	0.59	-	-	31.46
101-200 Units	902	-	30,017	30,017	-	-	33.27	529	0.59	-	-	33.85
201-300 Units	1527	-	56,512	56,512	-	-	37.02	895	0.59	-	-	37.61
301-400 Units	703	177	27,111	27,289	200	-	38.57	412	0.59	200	-	39.16
401-500 Units	349	111	13,802	14,013	400	-	39.86	205	0.59	400	-	40.44
501-600 Units	197	63	8,111	8,174	600	-	41.23	115	0.59	600	-	41.81
601-700 Units	120	39	5,085	5,123	800	-	42.55	70	0.59	800	-	43.13
Above 700 Units	268	72	12,666	12,738	1,000	-	47.28	157	0.59	1,000	-	47.86
For peak load requirement exceeding 5 kW)												
Time of Use (TOU) - Peak	39	353	1,767	2,121	1,000	-	45.34	23	0.59	1,000	-	45.93
Time of Use (TOU) - Off-Peak	160	-	6,224	6,224	1,000	-	39.01	94	0.59	1,000	-	39.60
Temporary Supply	1	1	73	74	2,000	-	58.29	1	0.59	2,000	-	58.88
Total Residential	7,129	817	247,088	247,905				4,170				
Commercial - A2												
For peak load requirement less than 5 kW	388	4,838	14,442	19,280	1,000	-	37.23	227	0.59	1,000	-	37.82
For peak load requirement exceeding 5 kW												
Regular	0	1	7	8	-	1,250	38.62	0	0.59	-	1,250	39.21
Time of Use (TOU) - Peak	82	-	3,703	3,703	-	-	44.96	48	0.59	-	-	45.55
Time of Use (TOU) - Off-Peak	316	2,550	10,836	13,386	-	1,250	34.28	185	0.59	-	1,250	34.86
Temporary Supply	24	25	1,252	1,277	5,000	-	53.04	14	0.59	5,000	-	53.63
Electric Vehicle Charging Station	0	-	2	2	-	-	32.41	0	0.59	-	-	33.00
Total Commercial	810	7,414	30,243	37,656				475				
General Services-A3												
	238	356	9,850	10,205	1,000	-	41.32	140	0.59	1,000	-	41.91
Industrial												
B1	55	70	1,353	1,423	1,000	-	24.48	32	0.59	1,000	-	25.06
B1 Peak	51	-	1,532	1,532	-	-	29.91	30	0.59	-	-	30.50
B1 Off Peak	285	342.19	6,703	7,045	1,000	-	23.50	167	0.59	1,000	-	24.09
B2	0	0	0	0	-	1,250	22.14	0	0.59	-	1,250	22.72
B2 - TOU (Peak)	314	-	9,226	9,226	-	-	29.40	184	0.59	-	-	29.99
B2 - TOU (Off-peak)	1710	11,415	35,577	46,992	-	1,250	20.80	1,003	0.59	-	1,250	21.39
B3 - TOU (Peak)	270	-	7,471	7,471	-	-	27.72	158	0.59	-	-	28.31
B3 - TOU (Off-peak)	1480	6,659	27,443	34,101	-	1,250	18.54	858	0.59	-	1,250	19.12
B4 - TOU (Peak)	103	-	2,690	2,690	-	-	26.18	60	0.59	-	-	26.77
B4 - TOU (Off-peak)	839	2,821	10,657	13,478	-	1,250	16.69	374	0.59	-	1,250	17.28
Temporary Supply	0	1	4	6	5,000	-	35.02	0	0.59	5,000	-	35.61
Total Industrial	4,907	21,308	102,656	123,964				2,877				
Single Point Supply												
C1(a) Supply at 400 Volts-less than 5 kW	0	1	4	5	2,000	-	38.40	0	0.59	2,000	-	38.99
C1(b) Supply at 400 Volts-exceeding 5 kW	1	3	32	35	-	1,250	36.00	1	0.59	-	1,250	36.59
Time of Use (TOU) - Peak	3	-	126	126	-	-	45.15	2	0.59	-	-	45.74
Time of Use (TOU) - Off-Peak	13	32	467	499	-	1,250	35.55	8	0.59	-	1,250	36.13
C2 Supply at 11 kV	0	0	2	3	-	1,250	38.80	0	0.59	-	1,250	39.38
Time of Use (TOU) - Peak	17	-	800	800	-	-	47.26	10	0.59	-	-	47.85
Time of Use (TOU) - Off-Peak	83	395	2,952	3,347	-	1,250	35.45	49	0.59	-	1,250	36.03
C3 Supply above 11 kV	4	20	140	160	-	1,250	36.50	2	0.59	-	1,250	37.08
Time of Use (TOU) - Peak	11	-	526	526	-	-	45.81	7	0.59	-	-	46.39
Time of Use (TOU) - Off-Peak	55	242	1,856	2,099	-	1,250	33.94	32	0.59	-	1,250	34.53
Total Single Point Supply	187	693	6,906	7,599				110				
Agricultural Tube-wells - Tariff D												
Scarp	7	-	268	268	-	-	37.85	4	0.59	-	-	38.44
Time of Use (TOU) - Peak	2	-	58	58	-	-	31.33	1	0.59	-	-	31.91
Time of Use (TOU) - Off-Peak	20	30	495	526	-	400	24.65	12	0.59	-	400	25.23
Agricultural Tube-wells	0	0	1	1	-	400	23.56	0	0.59	-	400	24.15
Time of Use (TOU) - Peak	169	-	5,043	5,043	-	-	29.78	99	0.59	-	-	30.36
Time of Use (TOU) - Off-Peak	940	2,183	26,890	29,073	-	400	28.61	551	0.59	-	400	29.19
Total Agricultural	1,138	2,213	32,755	34,968				668				
Public Lighting - Tariff G												
Residential Colonies	17	42	711	753	2,000	-	41.32	10	0.59	2,000	-	41.91
	5	3	210	213	2,000	-	41.78	3	0.59	2,000	-	42.37
Total Public Lighting	22	44	922	966				13				
Pre-Paid Supply Tariff												
Residential	-	-	-	-	1,000	-	50.46	-	0.59	1,000	-	51.05
Commercial - A2	-	-	-	-	-	1,250	48.06	-	0.59	-	1,250	48.65
General Services-A3	-	-	-	-	1,000	-	47.62	-	0.59	1,000	-	48.11
Industrial	-	-	-	-	-	1,250	28.53	-	0.59	-	1,250	29.12
Single Point Supply	-	-	-	-	-	1,250	45.18	-	0.59	-	1,250	45.76
Agricultural Tube-wells - Tariff D	-	-	-	-	-	400	33.69	-	0.59	-	400	34.28
Grand Total	14,432	32,845	430,419	463,264				8,453				

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



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SCHEDULE OF ELECTRICITY TARIFFS FOR KARACHI ELECTRIC SUPPLY COMPANY (KESCO)

A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL

Sr. No.		TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Ru. / Conn. / M	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	FYA 2023 Rs/kWh	Total Variable Charge Rs/kWh		
			A	B	C	D	E = C+D		
Prepaid	a)	For Sanctioned load less than 5 kW			9.90	-	9.90		
	i)	Up to 50 Units - Life Line			14.41	-	14.41		
	ii)	51 - 100 Units - Life Line			20.49	0.99	20.94		
	iii)	101 - 150 Units			31.53	0.99	32.42		
	iv)	151 - 200 Units			36.87	0.99	37.86		
	v)	201 - 250 Units			33.27	0.99	34.26		
	vi)	251 - 300 Units			37.02	0.99	38.01		
	vii)	301 - 400 Units	200		38.87	0.99	39.86		
	viii)	401 - 500 Units	400		39.86	0.99	40.85		
	ix)	501 - 600 Units	600		41.23	0.99	42.22		
	x)	601 - 700 Units	800		43.68	0.99	44.67		
		Above 700 Units	1,000		47.25	0.99	48.24		
On-Prepaid	b)	For Sanctioned load 5 kW & above							
		Time Of Use	1,000		Peak	Off-Peak	Peak	Off-Peak	
			1,000		48.24	29.81	0.99	0.99	49.23

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

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

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

a) Single Phase Connection:

Ru. 75/- per consumer per month

b) Three Phase Connection:

Ru. 150/- per consumer per month

A-2 GENERAL SUPPLY TARIFF - COMMERCIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES	FYA 2023		Total Variable Charge
		Ru. / Conn. / M	Ru/kW/M	Ru/kWh	Ru/kWh	Ru/kWh	
		A	B	C	D		E = C+D
a)	For Sanctioned load less than 5 kW	1,000		37.23	0.99		38.22
b)	For Sanctioned load 5 kW & above		1,350	39.52	0.99		40.51
				Peak	Off-Peak	Peak	Off-Peak
c)	Time Of Use		1,350	44.96	34.23	0.99	45.95
d)	Electric Vehicle Charging Station			33.41		0.99	34.40
e)	Pre-Paid Commercial Supply Tariff		1,350	49.06		0.99	50.05

Where Fixed Charges are applicable Ru./kW/Month, the charges shall be billed based on 25% of sanctioned load or Actual MDI for the month which ever is higher.

A-3 GENERAL SERVICES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES	FYA 2023	Total Variable Charges
		Ru. / Conn. / M	Ru/kW/M	Ru/kWh	Ru/kWh	Ru/kWh
		A	B	C	D	E = C+D
a)	General Services	1,000	-	41.22	0.99	42.21
	Pre-Paid General Services Supply Tariff	1,000	-	47.63	0.99	48.62

B INDUSTRIAL SUPPLY TARIFFS

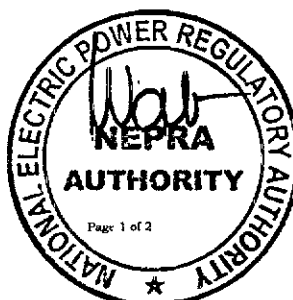
Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES	FYA 2023		Total Variable Charges
		Ru. / Conn. / M	Ru/kW/M	Ru/kWh	Ru/kWh	Ru/kWh	
		A	B	C	D	E = C+D	
B1	Up to 25 kW (at 400/230 Volts)	1,000	-	24.48	0.99	25.47	
B2(a)	exceeding 25-500 kW (at 400 Volts)	-	1,250	22.14	0.99	23.13	
	Time Of Use			Peak	Off-Peak	Peak	Off-Peak
B1 (M)	Up to 25 kW	1,000	-	29.81	23.50	0.99	24.49
B2(b)	exceeding 25-500 kW (at 400 Volts)	-	1,350	29.49	20.80	0.99	21.39
B3	For All Loads up to 8000 kW (at 11.5 kV)	-	1,350	27.73	18.84	0.99	19.13
B4	For All Loads (at 66,132 kV & above)	-	1,350	26.18	16.69	0.99	17.38
	Pre-Paid Industrial Supply Tariff	-	1,350	28.63	-	0.99	29.62

Where Fixed Charges are applicable Ru./kW/Month, the charges shall be billed based on 25% of sanctioned load or Actual MDI for the month which ever is higher.

C SINGLE POINT SUPPLY

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES		FYA 2023		Total Variable Charges	
		Ru. / Conn. / M	Ru/kW/M	Ru/kWh	Ru/kWh	Ru/kWh	Ru/kWh		
		A	B	C	D	E = C+D			
C-1	For supply at 400/230 Volts	2,000							
a)	Sanctioned load less than 5 kW			35.40	0.99	36.39			
b)	Sanctioned load 5 kW & up to 500 kW		1,350	36.00	0.99	36.99			
C-2(a)	For supply at 11.33 kV up to and including 5000 kW		1,350	36.80	0.99	37.79			
C-2(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	1,350		36.80	0.99	37.79			
	Time Of Use			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
C-1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	1,350		45.18	35.88	0.99	0.99	45.74	36.13
C-2(b)	For supply at 11.33 kV up to and including 5000 kW	1,350		47.26	35.48	0.99	0.99	47.85	36.03
C-2(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	1,350		49.81	33.94	0.99	0.99	49.29	37.53
	Pre-Paid Bulk Supply Tariff	1,350		45.18		0.99		45.74	

Where Fixed Charges are applicable Ru./kW/Month, the charges shall be billed based on 25% of sanctioned load or Actual MDI for the month which ever is higher.



**SCHEDULE OF ELECTRICITY TARIFFS
FOR FAISALABAD ELECTRIC SUPPLY COMPANY (FESCO)
D. AGRICULTURE TARIFF**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES	FYA 2023		Total Variable Charges
		Rs. / Conn. / M	Rs/kW/M		Rs/kWh	Rs/kWh	
		A	B	C	D	E	E= C+D
D-1(a)	SCARP less than 5 kW			37.55	0.59		38.14
D-2 (a)	Agricultural Tube Wells		400	23.55	0.59		24.14
				Peak	Off-Peak	Peak	Off-Peak
D-1(b)	SCARP 5 kW & above		400	31.33	24.45	0.59	31.91
D-2 (b)	Agricultural 5 kW & above		400	25.75	28.51	0.59	30.85
	Pre-Paid for AP1 & Sharp		400	33.55	0.59		34.14

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

Note: The consumers having conditioned load less than 5 kW can opt for TOD metering.

TEMPORARY SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES	FYA 2023		Total Variable Charges
		Rs. / Conn. / M	Rs/kW/M		Rs/kWh	Rs/kWh	
		A	B	C	D	E	E= C+D
E-1(i)	Residential Supply	2,000		56.25	0.59		56.84
E-1(ii)	Commercial Supply	5,000		53.54	0.59		54.13
E-2	Industrial Supply	5,000		35.03	0.59		35.61

SEASONAL INDUSTRIAL SUPPLY TARIFF

125% of relevant industrial tariff

Note: Tariff-E 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.

TARIFFS FOR PUBLIC LIGHTING

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES	FYA 2023		Total Variable Charges
		Rs. / Conn. / M	Rs/kW/M		Rs/kWh	Rs/kWh	
		A	B	C	D	E	E= C+D
	Street Lighting	2,000		41.52	0.59		42.11

RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES	FYA 2023		Total Variable Charges
		Rs. / Conn. / M	Rs/kW/M		Rs/kWh	Rs/kWh	
		A	B	C	D	E	E= C+D
	Residential Colonies attached to industrial premises	2,000		41.75	0.59		42.34

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

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FESCO

Annex-IV

Description	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Purchased by DISCOs (GWh)	1,861	1,684	1,597	1,349	950	904	935	825	993	1,297	1,605	1,691	15,692

Fuel Cost Component	9.8758	7.3149	7.6554	9.3685	6.8803	9.1419	11.6407	8.7350	10.0255	8.9076	8.8551	10.6722	9.0638
Variable O&M	0.6218	0.5586	0.5839	0.6207	0.4632	0.5293	0.6895	0.5568	0.5320	0.5289	0.6178	0.6445	0.5854
Capacity	10.5905	11.4467	11.5223	14.6463	19.0900	22.7765	18.7231	21.0345	21.8049	15.0457	13.3274	12.2466	14.9124
UoSC	1.1285	1.1624	1.1523	1.5181	1.8553	2.2135	1.7860	2.1124	2.0750	1.4009	1.2099	1.2052	1.4644
Total PPP in Rs./kWh	22.2167	20.4826	20.9138	26.1536	28.2889	34.6612	32.8393	32.4387	34.4373	25.8831	24.0101	24.7685	26.0262

Rs. in million

Fuel Cost Component	18,378	12,317	12,228	12,641	6,537	8,260	10,890	7,204	9,956	11,555	14,216	18,049	142,231
Variable O&M	1,157	941	933	838	440	478	645	459	528	686	992	1,090	9,187
Capacity	19,708	19,274	18,405	19,763	18,137	20,580	17,515	17,348	21,653	19,517	21,395	20,712	234,008
UoSC	2,100	1,957	1,841	2,048	1,763	2,000	1,671	1,742	2,060	1,817	1,942	2,038	22,980
Total PPP in Rs.Mln	41,344	34,489	33,407	35,290	26,877	31,318	30,721	26,753	34,197	33,575	38,545	41,889	408,406

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

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

PART-I

GENERAL DEFINITIONS

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

1. "Month or Billing Period", unless otherwise defined for any particular tariff category, means a billing month of 31 days or less reckoned from the date of last meter reading.

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

2. "Minimum Charge", means a charge to recover the costs for providing customer service to consumers even if no energy is consumed during the month.
3. "Fixed Charge" means the part of sale rate in a two-part tariff to be recovered on the basis of "Billing Demand" in kilowatt on monthly basis.
4. "Billing Demand" means the 25% of the sanctioned load or Actual maximum demand recorded in a month, whichever is higher, except in the case of agriculture tariff D2 where "Billing Demand" shall mean the sanctioned load.

Provided that for the purpose of fixed charges sanctioned load means maximum demand recorded during preceding 60 months

Provided further that in case of new connections or consumers who have renewed/revised their sanctioned load, the fixed charges will be charged on 25% of the sanctioned load or actual maximum demand recorded in a month, whichever is higher. However, upon establishment of MDI in next six months, the adjustment of fixed charges will be made accordingly by the DISCO."

Provided also that consumers having alternate/ dual source i.e. captive power, net metering etc. the existing mechanism of fixed charges shall remain the same i.e. the 25% of the sanctioned load or actual maximum demand recorded in a month, whichever is higher.

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



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

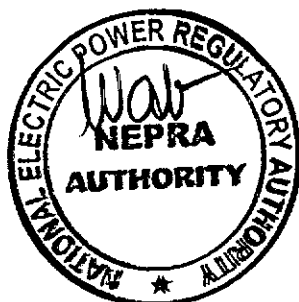
* To be duly adjusted in case of day light time saving

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

GENERAL CONDITIONS

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

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PART-II

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

A-1 RESIDENTIAL

Definition

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

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

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

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

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

A-2 COMMERCIAL

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



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

A-3 GENERAL SERVICES

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

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

B INDUSTRIAL SUPPLY

Definitions

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

Conditions

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



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

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

B-2 SUPPLY AT 400 VOLTS

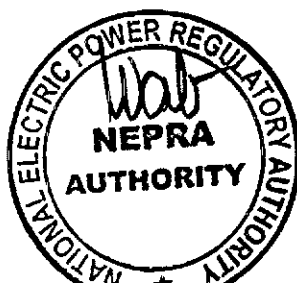
1. This tariff is applicable for supply to Industries having sanctioned load of more than 25 kW up to and including 500 kW.
2. All existing consumers under tariff B-2 shall be provided T.O.U metering arrangement by the Company and converted to B-2(b) Tariff.
3. All new applicants i.e. prospective consumers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

B-3 SUPPLY AT 11-kV AND 33 kV

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

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

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



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

3. If the Grid Station required for provision of supply falls within the purview of the dedicated system under the Eligibility Criteria laid down by the Authority read with CSM, the supply under this Tariff shall not be available to such a prospective consumer unless he provides, to the satisfaction and approval of the Company, an independent grid station of his own including Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively, pays to the Company for all such Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus if so provided and installed by the Company. The recovery of cost of service connection shall be regulated by Eligibility Criteria laid down by the Authority read with CSM.
4. All B-4 Industrial Consumers shall be billed on the basis of two-part T.O.U tariff.

C BULK SUPPLY

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

General Conditions

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

C-1 SUPPLY AT 400/230 VOLTS

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

C-2 SUPPLY AT 11 kV AND 33 kV

1. This tariff is applicable to consumers receiving supply at 11 kV or 33 kV at one-point metering arrangement and having sanctioned load of more than 500 kW up to and including 5 MW.
2. The consumers may be allowed extension of load beyond 5MW upto 7.5MW from the DISCO's owned grid station subject to availability of load in the grid and capacity in the 11kV existing dedicated feeder. In such a case the consumer will bear 100% grid sharing charges including transmission line charges and 100% cost of land proportionate to load. However, only such consumers be allowed extension of load beyond 5MW upto 7.5MW whose connection is at least three (3) years old. While allowing extension in load, the DISCOs shall ensure that no additional line losses are incurred and additional loss, if any, shall be borne by the respective consumers.



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

C-3 SUPPLY AT 66 kV AND ABOVE

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

D AGRICULTURAL SUPPLY

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

Special Conditions of Supply

1. This tariff shall apply to:
 - i) Reclamation and Drainage Operation under Salinity Control and Reclamation Projects (SCARP):
 - ii) Bona fide forests, agricultural tube-wells and lift irrigation pumps for the irrigation of agricultural land.
 - iii) Tube-wells meant for aqua-culture.
 - iv) Tube-wells installed in a dairy farm meant for cultivating crops as fodder and for upkeep of cattle.
2. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.



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

D-1

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

D-2

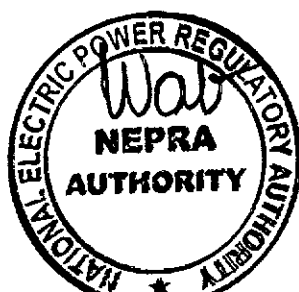
1. This tariff is applicable to consumers falling under Agriculture Supply excluding SCARP related installations.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. D-2(a) tariff given in the Schedule of Tariff.
3. All new consumers having sanctioned load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

E -1 TEMPORARY RESIDENTIAL/COMMERCIAL SUPPLY

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

Special Conditions of Supply

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



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E-2 TEMPORARY INDUSTRIAL SUPPLY

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

SPECIAL CONDITIONS OF SUPPLY

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

F SEASONAL INDUSTRIAL SUPPLY

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

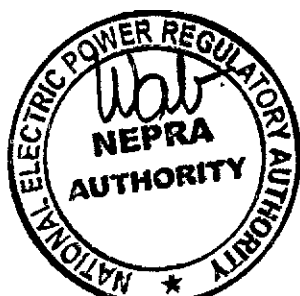
Definitions

"Year" means any period comprising twelve consecutive months.

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

Special Conditions of Supply

1. This tariff is applicable to seasonal industry.
2. Fixed Charges per kilowatt per month under this tariff shall be levied at the rate of 125% of the corresponding regular Industrial Supply Tariff Rates and shall be recovered only for the period that the seasonal industry actually runs subject to minimum period of six consecutive months during any twelve consecutive months. The condition for recovery of Fixed Charges for a minimum period of six months shall not, however, apply to the seasonal industries, which are connected to the Company's Supply System for the first time during the course of a season.
3. The consumers falling within the purview of this Tariff shall have the option to change over to the corresponding industrial Supply Tariff, provided they undertake to abide by all the conditions and restrictions, which may, from time to time, be prescribed as an integral part of those Tariffs. The consumers under this Tariff will have the option to convert to Regular Tariff and vice versa. This option can be exercised at the time of obtaining a new connection or at the beginning of the season. Once exercised, the option will remain in force for at least one year.
4. 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



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

G PUBLIC LIGHTING SUPPLY

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

Definitions

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

Special Conditions of Supply

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

H RESIDENTIAL COLONIES ATTACHED TO INDUSTRIES

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

Definitions

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

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

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

Special Conditions of Supply

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

TARCTION

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

