



QUETTA ELECTRIC SUPPLY COMPANY LIMITED

Phone # 081 9203308
Fax # 081 9202912
E.Mail fdqesco@yahoo.com

FINANCE DIRECTORATE
QESCO ZARGHOON ROAD
QUETTA

No. 1611 / CEO / FD / QESCO / Comp

Dated: 11 / 11 / 2019

The Registrar NEPRA,
NEPRA Tower,
Islamabad.

Subject: Tariff Petition For Distribution of Power For 2018-19.

Find enclosed herewith the consolidated Tariff Petition for distribution of power under section 20 for Financial Year 2018-19 in respect of QESCO.

For information
of a M.

— SAT-II

Copy to:

[Signature]

13.11.19

Muhammad Arif
Chief Executive Officer.

— SA (Tech) — DG (M+E)

= chairman

— ADG (L&C) — LA (L&P)

Vc

— DRO I / DRG-I] Pl. coordinate

for any action, if,
on part of R.O.

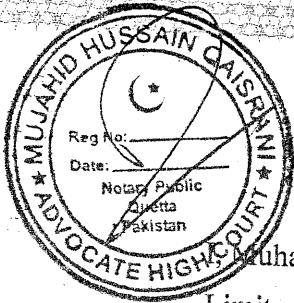
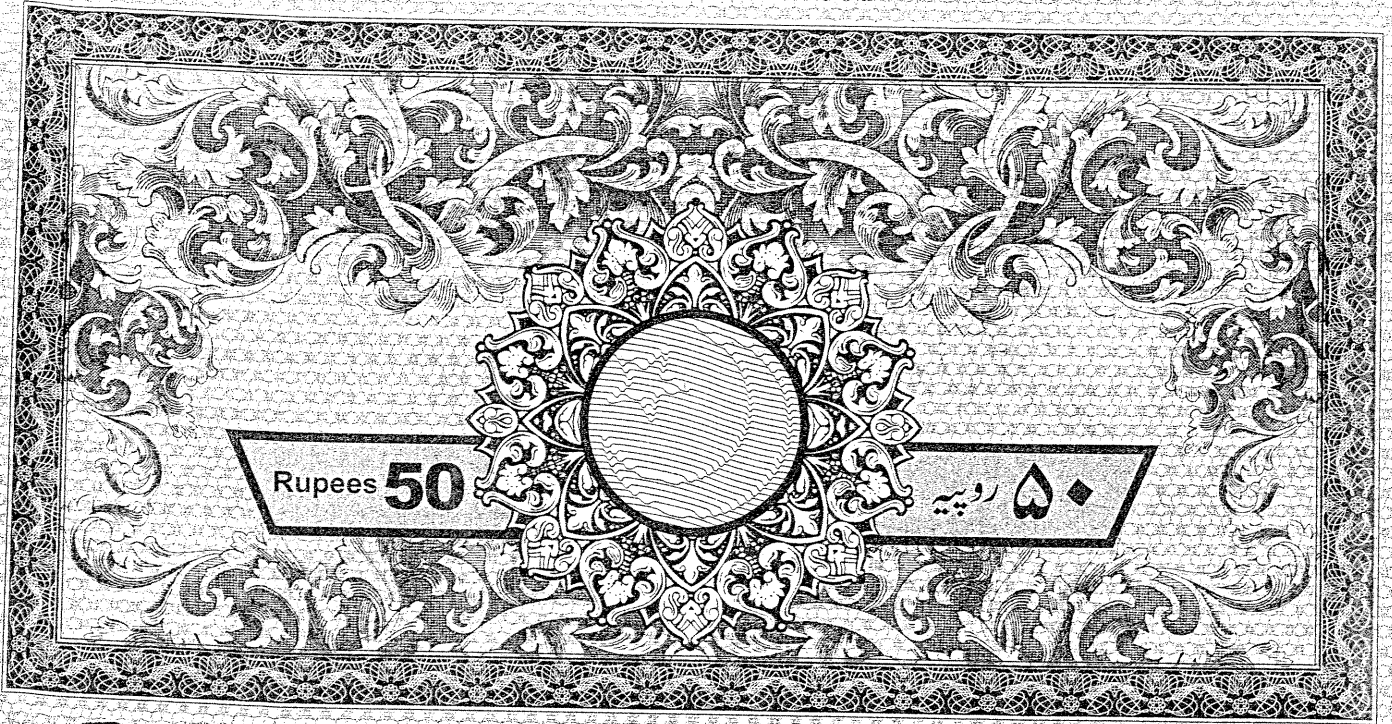
m(T)

— m(CA)

— ME

— m(L&C)

REGISTRAR
Dy. No. 11574
Date: 13-11-19



AFFIDAVIT

Muhammad Arif, Chief Executive Officer, Quetta Electric Supply Company Limited (Distribution License # 08 / DL / 2001) being duly authorized representative / attorney of Quetta Electric Supply Company Limited, hereby by solemnly affirm and declared that the contents of the accompanying petition / application No. 16.11 / CEO / QESCO /COMP Dated: 11-11-19, including all supporting documents are true and correct to the best of my knowledge and belief and that nothing has been concealed. I also affirm that all further documentations to be provided by me in connection with the accompanying petition shall be true to the best of my knowledge and belief.

Verified on oath this 11-11-19 that the contents hereof are true and correct to the best of my knowledge and belief and nothing has been concealed.

DEPONENT



Attested
Mujaheed Hussain Qaisrani
Advocate High Court
Notary Public
Quetta Pakistan

Muhammad Arif
Chief Executive Officer



QUETTA ELECTRIC SUPPLY COMPANY LIMITED

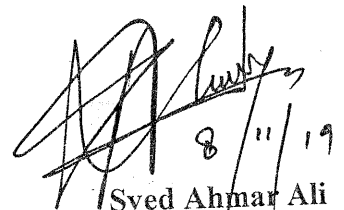
Office of the Company Secretary
QESCO, Zarghoon Road Quetta..
Phone# 081-9203313

No. 437 CS/QESCO/BoD

Dated: November 8, 2019.

Board Resolution

The Board of Directors of Quetta Electric Supply Company Limited through circulation has approved to file Tariff Petition for the Financial Year 2018-19 before NEPRA and authorized CEO QESCO to sign all necessary documents and present the case before the Authority along with his team as needed and do all necessary acts for completion.


8 / 11 / 19
Syed Ahmar Ali
Company Secretary

QUETTA ELECTRIC SUPPLY COMPANY LIMITED

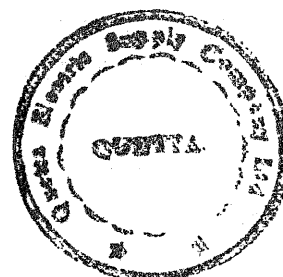


**TARIFF PETITION
DISTRIBUTION OF POWER
(2018 – 19)**

**DISTRIBUTION LICENCE
No. 08 / DL / 2001**

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QUETTA ELECTRIC SUPPLY COMPANY LIMITED

Consolidated Petition for Fixation of Distribution Tariff
For the Year 2018 – 19

Before

The Honorable National Electric Power Regulatory Authority

1. PETITION SUMMARY**1.1 DETAILS OF THE PETITIONER:****I. NAME AND ADDRESS:**

Quetta Electric Supply Company Limited.
QESCO Headquarters, Zarghoon Road, Quetta.

Distribution License No. 08/DL/2001

ii. REPRESENTATIVES OF QESCO:

- | | | |
|----|-----------------------|---------------------------------|
| a) | Muhammad Arif, | Chief Executive Officer. |
| b) | Muhammad Arfan Memon, | Chief Engineer / Operation Dir. |
| c) | Zahoor Shiekh, | Chief Engineer (C.S). |
| d) | Yasir Faheem, | Manager Finance. |

2. GROUNDS FOR PETITIONER'S INTEREST

Petitioner being a Power Distribution Company is a confide power distribution licensee. In order to perform its obligatory duties prescribed by the Authority (NEPRA) as per NEPRA Performance Standards (Distribution) Rules, the petitioner needs adequate funding. There are three main sources of funding available with petitioner, (i) internal efficiency improvements, (ii) borrowings and (iii) adequate revenue through tariff. While the petitioner is already a highly motivated entity towards continuous internal efficiency improvements; yet such improvement measures require commensurate financial resources either through borrowings or adequate tariff. As per general principles of banking industry, international or local, the financial viability of borrowing organization is always taken as fundamental for lending decisions. In short, internal financial viability of a utility is the basic to embark upon and explore other resources of funding; which can only be ensured through adequate consumers end tariff.

QESCO, in its status as power distribution licensee, earnestly feels that the existing tariff does not fulfills its liquidity and financial viability requirements and therefore, is interested in adequate consumers-end tariff applicable to its license jurisdiction area.



3. GROUND AND FACTS FORMING BASIS OF THE PETITION:

3.1 FACTS

- 1 Under the NEPRA Act 2018, NEPRA is responsible for determining tariffs and other terms and conditions for the distribution of electricity by the generation and transmission and to recommend these to the Federal Government, subject to the need to comply with guidelines, not inconsistent with the provisions of the NEPRA Act, laid down by the Federal Government. NEPRA is also responsible for determining the process and procedures for reviewing tariffs and recommending tariff adjustments.
- 2 This petition is being filed in Pursuant to the NEPRA ACT 2018.

3.2 GROUND AND BASIS

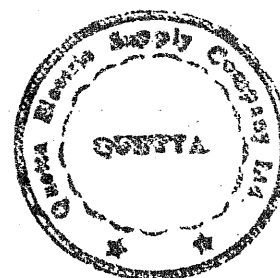
- 1 Establishment of distribution of electricity rates and potential risk for QESCO.
- 2 Adjustment of Distribution Margin in tariff to meet with operational expenses.
- 3 Prior year adjustment in end tariff.

4. Key Aims and Features of the Petition

4.1 Aims of the Petition

This tariff petition sets out the tariff methodology, required revenues and timetable for rebalancing tariffs in QESCO's distribution area for FY 2018-19. The aim of this petition is to obtain approval for the immediate implementation of cost reflective tariffs to yield QESCO's required revenues and rebalancing of tariffs so that the implementation of cost reflective tariffs will benefit consumers and QESCO as it will;

1. Provide signals for efficient usage of, and investment in, QESCO's distribution network.
2. Promote the financial sustainability of QESCO.



4.2 Features of the Petition

This petition proposes the following:

- 1 A transparent and predictable formula for setting and revising tariffs in QESCO's licensed jurisdiction area.
- 2 Sufficient average tariff enables QESCO to recover prudently incurred operating costs.
- 3 Incentives for QESCO to make operating efficiencies and reduce commercial losses.

5. Structure of the Petition

This petition has two distinct components. The first part deals with the tariff methodology. This is the formula that will be used to determine QESCO's distribution margin within control, proposed for the period. The second part covers the calculation of QESCO's required revenue during the revenue control period and also it explains the different components of required revenue including operating costs, investment costs and rate of return.

6. Tariff Review Formula and Process

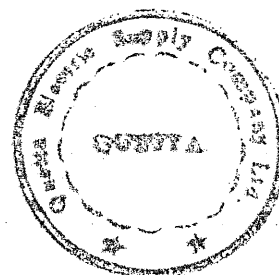
The tariff formula provides a transparent and predictable way of determining QESCO's distribution margin within the period of control. A formula is advantageous as it reduces uncertainty for the utility and for consumers. It also provides a simple way for NEPRA to incentivize the company to reduce losses and/or make operating efficiencies as required.

7. Tariff Methodology

7.1 QESCO's Margin

The formula calculates QESCO's distribution margin based on forecast, operating expenses, depreciation, investment and return on investment. Transmission costs are treated as pass-through. The formula determines revenues for the period. Revisions may be made to revenues within that period if actual inflation is different from forecast. The profits or losses that arise from changes in efficiency or demand would, however, be retained by QESCO for the duration of the revenue control period.

Under the proposed tariff-setting methodology, the average tariff would consist of (i) the average distribution margin, which would be set, based on the formula-based methodology



7.1.1 Distribution Margin Formula

The average distribution margin for the year 2018-19 would be set-in accordance with QESCO's expected revenue requirements, based on the following formula:

$$\text{Avg. Margin}_t = \frac{\text{O\&M}_t + \text{Depreciation} + \text{RORB} - \text{Other Income}}{\text{MkWh}}$$

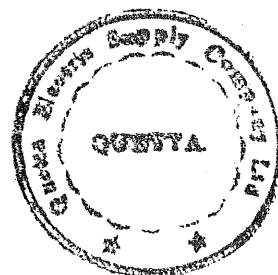
Where:

- 2 O&M_t is the expected operating and maintenance cost per kWh (for year t), which includes the estimated cost of technical service and repair, necessary materials for operation, salary, mandatory social insurance payments, administration, management and other operating costs related to QESCO's distribution and supply business. The O&M component for the year 2018-19 would be established on the basis of forecast demand and inflation.

Depreciation: The depreciation (for year t) will be calculated based on; (i) the value of assets existing, set at a fixed amount (Old Asset Base); plus (ii) new assets invested by QESCO.

7.1.2 Distribution-end Tariff-Setting

During the period of the price control, QESCO's tariffs will be rebalanced so that QESCO's total margin is recovered from distribution in accordance with the costs of serving different categories of consumers.



8 CALCULATING QESCO'S REVENUE REQUIREMENT

8.1 Trends in MDI

Demand is forecasted with growth rate of 5% in the QESCO's service area.

8.2 QESCO'S Revenue Requirement

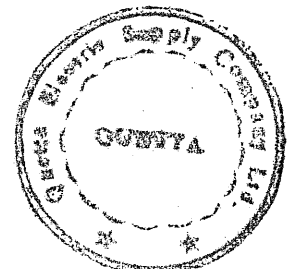
Based on the tariff methodology described in the previous section, the average tariff for the year 2018 – 19 has been calculated using the following parameters:

1. O&M: Based on inflation adjustments to QESCO's operating expenses from the latest available data, the O&M per unit has been projected at around Rs 4,919 Million.
2. ROR: Considering recent inflation / price hike; ROR is calculated at 15.65%.
3. New Investments: New investments will be made as per the Investment Plan is attached.
4. Depreciation: The depreciation has been calculated on the basis of present depreciation rates of different assets categories and relevant assets value.
5. Distribution Cost: The sum of rate of return on profit rate base, O&M, depreciation, and RORB less other income result in QESCO's distribution cost. Dividing this by the KW yields the average distribution margin (per KW).
6. Revenue requirement for FY-2018-19 is as under.

(Rs. In Mill)


O&M	4,919	
Depreciation	2,539	
RORB	6,407	
Gross Distribution Margin	13,865	
Less: Other Income	(1,088)	
Net Distribution Margin		12,777
Revenue Requirement		12,777

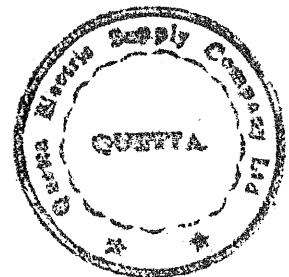
Projected units' sale is 4,779 for the year 2018-19. Required DM and tariff is Rs 2.67/kWh



8. PRAY

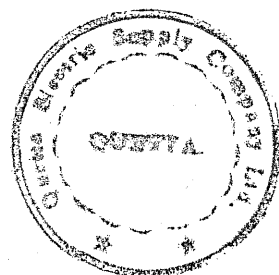
We shall be grateful if the authority shall give due consideration our application to allow Rs. 12,777 (Rs 2.67/kWh) as distribution margin and distribution cost for control period 2018-19.


Muhammad Arif
Chief Executive Officer

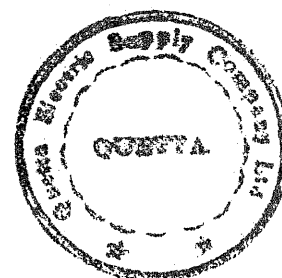


RELIEF OR DETERMINATION SOUGHT

		2018-19	Justification
2	Operating Fixed Assets in Operation (Million Rs.)	80,989,321,657	Actual
3	Transferred during the year (Million Rs.)	1,724,161,827	Considering as per historical trend of conversion of WIP into fixed assets
4	Closing Fixed Assets (2+3) (Million Rs.)	82,713,483,484	Projected
5	Less Cumulative Depreciation (Million Rs.)	22,064,541,926	Projected
	Less Revaluation reserve (Million Rs.)	29,942,629,266	
6	Net Fixed Assets(4-5) (Million Rs.)	30,706,312,291	Projected
7	Closing Work in Progress (Million Rs.)	22,501,187,627	WIP may allowed in tariff due to heavy investment involved
9	Total Assets (Million Rs.)	53,207,499,918	Estimated
10	Less Deferred Credit Rs.) (Million	12,153,958,064	Estimated
11	Regulatory Rate Base (Million Rs.)	41,053,541,854	Estimated
12	Avg Regulatory Rate Base (Million Rs.)	40,948,140,747	Estimated
	<u>Distribution Cost</u>		
13	RORB	15.65%	Calculated on the basis of WACC, debt equity ratio taken as 80 : 20
14	RORB (Million Rs.)	6,407,155,583	Estimated
15	Depreciation (Million Rs.)	2,539,194,686	Estimated



16	O & M (Million Rs.)	4,918,910,657	Estimated O&M for Financial Year 2018-19.
17	Other Income	1,088,056,641	excluding late payment surcharge
19	Distribution Margin	12,777,204,285	

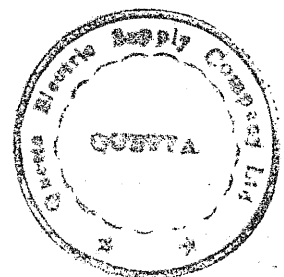


Summary of Evidence

1. Basis of Projection of O&M
2. Detail of Admn Expenses

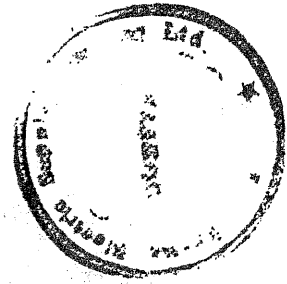
Annex – I

Annex - II



Detail of O&M

Discription	2017-18	218-19
	Distribution	Distribution
Salaries and Other Benefits	2,806,041,977	3,063,796,947
Retirement benefits paid	587,786,350	645,974,876
Employees Cost	3,393,828,327	3,709,771,823
Repair and Maintaince	531,957,874	573,693,015
Traveling expenses	185,651,512	186,579,769
Vehicle expenses	181,342,505	194,036,480
admin expenses	238,158,477	254,829,571
Grand TOTAL	4,530,938,694	4,918,910,657

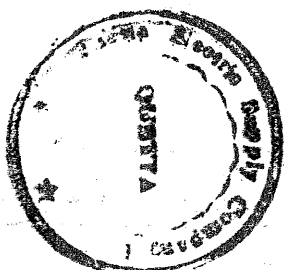


Projection for Expenses

		2017-18			2018-19
HEAD OF ACCOUNTS	OPERATING	Head office Share	Computer Center Share	Distribution Expenses	Distribution Expenses
Basic Pay	1,299,629,066.55	196,746,930	3,998,284.28	1,500,374,281	1,513,387,632
Ad hoc Relief Allowance	-	0	-	0	-
Cash Medical Allowance	66,274,626.94	2,737,997	45,503.61	69,058,127	69,058,127.11
Conveyance Allowance	126,519,271.35	14,290,193	276,118.23	141,085,582	141,085,582.25
Deputation Pay	-	0	-	0	-
Dual Charge Allowance	-	0	-	0	-
Entertainment Allowance	5,100.00	31,739	-	36,839	36,839.40
Group Life Insurance	1,000,539.00	211,462	2,432.05	1,214,433	1,214,432.84
House Rent Allowance	54,323,637.48	2,103,874	22,100.42	56,449,612	84,674,418.04
Job Allowance	101,151,697.00	4,315,297	91,174.77	105,558,169	105,558,169.10
Livery Allowance	8,936,621.10	308,318	5,725.81	9,250,665	9,250,665.27
Local Compensatory Allowance	12,748,666.00	710,701	-	13,459,367	13,459,366.60
Officiating/Personal Special Pay	121,914.00	112,653	-	234,567	234,567.00
Other Allowances	22,067,976.74	8,529,420	234,501.63	30,831,898	30,831,898.25
Overtime and Off Day Wages	34,622,251.00	2,163,349	44,600.68	36,830,201	36,830,200.97
Personal Allowance	-	10,176	-	10,176	10,176.00
Qualification Pay/Technical Pay	4,898,850.00	645,881	-	5,544,731	5,544,730.80
Senior Post Allowance	-	7,200	-	7,200	7,200.00
Shift Allowance	2,514,639.00	16,632	-	2,531,271	2,531,271.00
Special Pay	4,318,319.00	637,885	4,991.22	4,961,195	4,961,194.93
Staff Allowance	-	0	-	0	-
Washing Allowance	7,283,199.32	512,386	3,657.60	7,799,243	7,799,243.11
7% Living Allowance	-	0	-	0	-
Army Troops	-	0	-	0	-
Efficiency Allow:	-	0	-	0	-
Agency Allowance	18,645,109.00	274,057	-	18,919,166	18,919,165.60
15% Special Relief Allowance	-	0	-	0	-
WAPDA Special Relief Allowance (400)	8,434,123.00	1,370,763	-	9,804,886	9,804,886.00
25% Special Relief Allowance	-	35,190	-	35,190	35,190.00
Hard Area Allowance	28,696,495.00	697,538	-	29,394,033	29,394,032.80
Hill Allowance	23,911,418.00	620,663	-	24,532,081	24,532,081.40
SRA	348,728,497.91	56,158,525	1,325,725.84	406,212,749	556,250,176.88
Salaries, wages and other benefits	2,174,832,017.39	293,248,828.67	6,054,816.15	2,474,135,662.21	2,665,411,248
Wages of Contractual Labour	45,832,812.00	2,057,230.20	-	47,890,042	47,890,042.20
Daily Wage Labour	3,506,843.00	147,600.00	-	3,654,443	3,654,443.00
Employee Benefits	-	-	-	0	-
Power, Light and Water(Free Supply)	12,424,182.65	8,481,420.00	62,720.10	20,968,323	20,968,322.75
House Rent	106,669,244.00	30,313,128.71	777,466.47	137,759,839	206,639,758.77
Bereavement (Funerals etc)	1,009,000.00	55,895.48	1,026.13	1,065,922	1,065,921.61
Sports and Recreation	3,129,411.00	256,851.04	5,970.44	3,392,232	3,392,232.48
Awards and Gratuities	-	1,800.00	-	1,800	1,800.00
Medical and Hospitalization Expenses	20,378,052.00	76,437,857.70	2,962,619.93	99,778,530	99,778,529.62



Education and Training Expenses	12,358,063.00	1,916,335.98	63,784.48	14,338,183	14,338,183.36
Social Security Contributions	-	442,035.27	17,516.03	459,551	459,551.30
Employee's Old Age Benefit Insurance (EOBI)	-	-	-	0	-
Education Cess	-	-	-	0	-
Residential Telephone	92,968.00	100,473.51	3,472.43	196,914	196,913.94
Compensated Expenses	-	-	-	0	-
Free Electricity (Retired Employees)	-	-	-	0	-
Medical & Hospitalization(Retired Employees)	-	-	-	0	-
Employee Benefits	156,060,920.65	118,005,797.57	3,894,576.01	277,961,294.24	346,841,214
WAPDA Welfare Fund	1,951,435	444,600	4,500	2,400,535	-
Total Salaries	2,382,184,028	413,904,056	9,553,892	2,806,041,976.64	3,063,796,947
T. A / D. A Expenses	149,845,367	35,560,958	245,186	185,651,511.65	186,579,769
Vehicle Expenses	157,033,440	24,271,290	37,774	181,342,505	194,036,480



Projection for Admin Expenses

2017-18

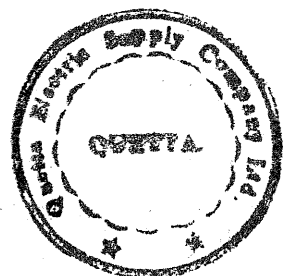
2018-19

HEAD OF ACCOUNTS	OPERATING	Head office Share	Computer Center Share	Distribution Expenses	Distribution Expenses
Rent, Rates and Taxes	8,834,615	263,306	0	9,097,921	9,734,775
Power Light and Water	37,067,256	6,095,570	0	43,162,826	46,184,223
Communication	4,324,231	3,448,660	24,914	7,797,805	8,343,651
Office Supplies and Other Expenses	7,702,037	2,089,096	2,298,202	12,089,334	12,935,587
Stores Handling Expenses	0	4,576	0	4,576	4,897
Advertising and Publicity	58,940	4,325,584	0	4,384,524	4,691,440
Subscriptions and Periodicals	233,404	382,963	0	616,367	659,512
Donations and Contributions	7,100	0	0	7,100	7,597
Representation and Entertainment	0	0	0	0	0
Injuries and Damages	25,734,475	5,700,000	0	31,434,475	33,634,888
Insurance	0	17,716,066	0	17,716,066	18,956,191
Slow moving and obsolete Material	0	4,107,626	0	4,107,626	4,395,160
Collection Expenses	0	4,440,631	0	4,440,631	4,751,475
Directors' Fees	0	6,612,000	0	6,612,000	7,074,840
Professional Fees	0	26,378,593	0	26,378,593	28,225,095
Management Fees	0	10,538,640	0	10,538,640	11,276,345
NEPRA Petition Fee	0	8,250,183	0	8,250,183	8,827,696
Market Operations Fee	0	34,749,628	0	34,749,628	37,182,102
Miscellaneous Expenses	9,632,092	7,128,508	9,585	16,770,185	17,944,098
TOTAL	93,594,149	142,231,628	2,332,700	238,158,477	254,829,571



INDEX

FORM NO.	DESCRIPTION
1	Company Statistics
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3	Profit & Loss Statement (Month wise)
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5	Cash Flow Statement
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8	DISCO load factors
9	Average Rate per Unit Purchased and Sold
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28	Revenue & Subsidy Statement
29	Proposed Revenue & Subsidy Statement



FORM - 1

QESCO

Company Statistics

Period 30.6.2018

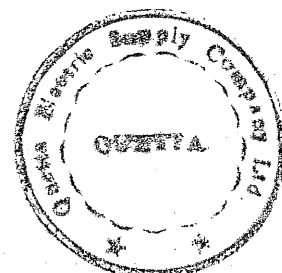
Period 30.06.2019

Actual

Projected

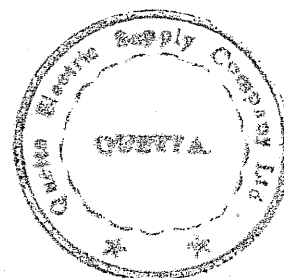
Peak demand	1770 MW	1805 MW
Number of Consumers	599,169	624,913
Area	43% Of Pakistan	43% Of Pakistan
Circles	6	6
Divisions	14	14
Sub Divisions	55	55
Length of Feeders	35587 km	39145 km
Average Length of Feeders	91 km	85 km
Maximum Length of Feeder	180 km	180 km
Minimum Length of Feeder	1.7 km	1.7 km
Target for new connections	28,169	25,744
Length of High Voltage Transmission lines (132 kV)	3768 Km	4149 Km
Length of STG lines 66 KV	502 KM	150 KM
Length of Low Voltage Distribution lines (400 V)	15498 Km	13000 Km
Number of HV transformers	0	0
Number of burned down HV transformers	0	0
Number of STG transformers	135	139
Number of burned down STG transformers	0	0
Number of LV transformers	55,040	60,544
Number of burned down LV transformers	0	0

	Strength		Cost	
	30.6.2018	30.06.2019	30.6.2018	30.06.2019
	Actual	Projected	Actual	Projected
Number of Employees				
A Officers	276	276		
Staff	6455	6455		
Total	6731	6731	3,680.77	3,860.13



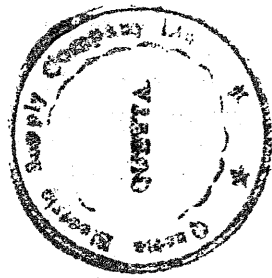
Profit & Loss Statement

		2015-16	2017-18	2018-19
		Determined	Actual	Projected
Power Balances				
Units Received	[MkWh]	5,287	-	-
Units Lost	[MkWh]	925	-	-
Units Lost	[%age]	17.50%	#DIV/0!	0.00%
Units Sold	[MkWh]	4,362	-	-
Revenue				
Sales Revenue	[Min Rs]	61,200	4,185	12,777
Subsidy	[Min Rs]	-	-	-
Fuel Price Adjustment	[Min Rs]	-	-	-
Total Sales Revenue	[Min Rs]	61,200	4,185	12,777
Rental & Service Income	[Min Rs]	-	-	-
Amortization of Def Credits	[Min Rs]	-	473	584
Other Income	[Min Rs]	1,267	3,576	504
Total Revenue	[Min Rs]	62,467	8,234	13,865
Operating Cost				
Power Purchase Cost	[Min Rs]	47,289	-	-
Own Generation		-	-	-
O&M Expenses	[Min Rs]	4,379	4,531	4,919
Agriculture Subsidy		-	-	-
Depreciation	[Min Rs]	916	2,172	2,539
Amortization	[Min Rs]	-	-	-
Provision for Bad Debt	[Min Rs]	-	-	-
Total Operating Cost	[Min Rs]	52,584	6,703	7,458
EBIT	[Min Rs]	9,883	1,531	6,407
Financial Charges	[Min Rs]	-	883	1,250
EBT	[Min Rs]	9,883	648	5,157
Tax	[Min Rs]	-	-	-
EAT	[Min Rs]	9,883	648	5,157
WPPF	[Min Rs]	-	-	-
Profit for the period	[Min Rs]	9,883	648	5,157



Profit & Loss Statement 2017-18

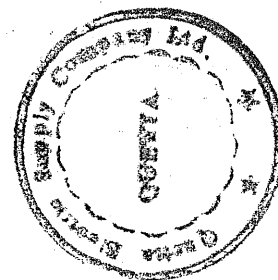
	Month 1	Month 2	Month 3	1st Qtr	Month 4	Month 5	Month 6	2nd Qtr	Month 7	Month 8	Month 9	3rd Qtr	Month 10	Month 11	Month 12	4th Qtr	Total
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Revenue																	
Sales Revenue	349	349	349	1,046	349	349	349	1,046	349	349	349	1,046	349	349	349	1,046	4,185
Subsidy				-				-				-				-	-
Fuel Price Adjustment				-				-				-				-	-
Total Sales Revenue	349	349	349	1,046	349	349	349	1,046	349	349	349	1,046	349	349	349	1,046	4,185
Rental & Service Income	39	39	39	118	39	39	39	118	39	39	39	118	39	39	39	118	473
Amortization of Def Credits	298	298	298	894	298	298	298	894	298	298	298	894	298	298	298	894	3,576
Other Income	686	686	686	2,059	686	686	686	2,059	686	686	686	2,059	686	686	686	2,059	8,234
Total Revenue																	
Operating Cost																	
Power Purchase Cost				-				-				-				-	-
Own Generation	378	378	378	1,133	378	378	378	1,133	378	378	378	1,133	378	378	378	1,133	4,531
O&M Expenses				-				-				-				-	-
Agriculture Subsidy	181	181	181	543	181	181	181	543	181	181	181	543	181	181	181	543	2,172
Depreciation				-				-				-				-	-
Amortization				-				-				-				-	-
Provision for Bad Debt				-				-				-				-	-
Total Operating Cost	559	559	559	1,676	559	559	559	1,676	559	559	559	1,676	559	559	559	1,676	6,703
EBIT	128	128	128	383	128	128	128	383	128	128	128	383	128	128	128	383	1,531
Financial Charges	74	74	74	221	74	74	74	221	74	74	74	221	74	74	74	221	883
EBT	54	54	54	162	54	54	54	162	54	54	54	162	54	54	54	162	648
Tax				-				-				-				-	-
EAT	54	54	54	162	54	54	54	162	54	54	54	162	54	54	54	162	648
WPPF				-				-				-				-	-
Profit for the period	54	54	54	162	54	54	54	162	54	54	54	162	54	54	54	162	648



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Profit & Loss Statement 2018-19

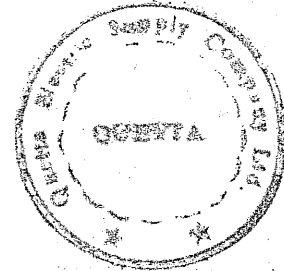
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	4th Qtr's Total	Total
Power Balances														
Revenue	[Min Rs]	[Min Rs]	[Min Rs]	[Min Rs]	[Min Rs]	[Min Rs]	[Min Rs]	[Min Rs]	[Min Rs]	[Min Rs]	[Min Rs]	[Min Rs]	[Min Rs]	[Min Rs]
Sales Revenue	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	3,194	12,777
Subsidy														
Fuel Price Adjustment														
Total Sales Revenue	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	3,194	12,777
Rental & Service Income	49	49	49	49	49	49	49	49	49	49	49	49	146	584
Amortization of Def Credits	42	42	42	42	42	42	42	42	42	42	42	42	126	504
Other Income	1,155	1,155	1,155	1,155	1,155	1,155	1,155	1,155	1,155	1,155	1,155	1,155	3,466	13,865
Total Revenue	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	3,194	12,777
Operating Cost														
Power Purchase Cost	[Min Rs]	[Min Rs]	[Min Rs]	[Min Rs]	[Min Rs]	[Min Rs]	[Min Rs]	[Min Rs]	[Min Rs]	[Min Rs]	[Min Rs]	[Min Rs]	[Min Rs]	[Min Rs]
Own Generation	410	410	410	410	410	410	410	410	410	410	410	410	1,230	4,919
O&M Expenses														
Agriculture Subsidy														
Depreciation	212	212	212	212	212	212	212	212	212	212	212	212	635	2,539
Amortization														
Provision for Bad Debt														
Total Operating Cost	622	622	622	622	622	622	622	622	622	622	622	622	1,865	7,458
EBIT	534	534	534	534	534	534	534	534	534	534	534	534	1,602	6,407
Financial Charges	104	104	104	104	104	104	104	104	104	104	104	104	313	1,250
EBT	430	430	430	430	430	430	430	430	430	430	430	430	1,289	5,157
Tax														
EAT	430	430	430	430	430	430	430	430	430	430	430	430	1,289	5,157
WPPF														
Profit for the period	430	430	430	430	430	430	430	430	430	430	430	430	1,289	5,157



FROM - 8

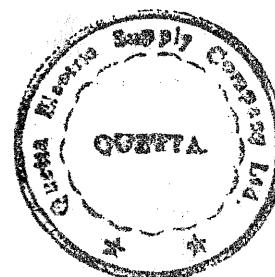
Average Rate per Unit Purchased and Sold
- Weighted Average Cost per Unit Sold to Customers

10.01	Use of System Charges (NTDC)		
10.02	Estimated Average Rate Rs/KWh	(Table 11 - 11.16)	-
10.03	Estimated Maximum Demand Indicator (MDI) kw	(Table 11 - 11.17)	-
10.04	Number of Months		-
10.05	Estimated Use of System Charges Rs		-
10.06	Capacity Transfer Charges		-
10.07	Estimated Average Rate Rs/KWh	(Table 11 - 11.33)	-
10.08	Estimated MDI kw	Form 8 (A)	-
10.09	Number of Months		-
10.10	Estimated Capacity Charge = $(10.07 \times 10.08 \times 10.09)$		-
10.11	Energy Charges		-
10.12	Estimated Average Energy Charge Rs/KWh	(Table 11 - 11.33)	-
10.13	Estimated Energy Purchase		-
10.14	Estimated Energy Charges		-
10.15	Estimated Power Purchase Price		-
10.16	Average Rate MDI		-
10.17	Estimated Energy Sold	4776870638	-
10.18	Average Power Rate per Sold Rs/KWh		-
10.19	Distribution Margin	12,777,204,286	-
10.20	Distribution Margin Rs/KWh	2.87	-
	Interest on loan		-
	Interest on loan per Unit Sold Rs/KWh		-
10.21	Total Cost per KWh	2.87	-
10.22	Estimated Revenue from System Charges	12,777,204,284.76	-
10.23	Prior Period Adjustment (Uncovered Costs)		-
10.24	Required Estimated Revenue from Energy Sold	12,777,204,284.76	-



Asset register as the year ended at date

	Description	Cost			Accumulated Depreciation				Book Value As at June 30, 2019
		As at July 01, 2018	Addition/ deletions	As at June 30, 2019	As at July 01, 2018	Charge during the year	Adjustments	As at June 30, 2019	
	LAND	9,901	0	9,901	0	0		0	9,901
	BUILDING	3,168	0	3,168	1,231	63		1,295	1,874
	Dist. Equip.	66,066	1,689	67,754	16,836	2,371		19,208	48,546
	Generation	949	0	949	777	33		810	139
	Others off eq	266	10	276	153	28		180	97
	Computers	74	6	79	59	14		73	6
	Vehicle	584	20	604	470	29		499	85
	Grand Total	80,989	1,724	82,713	19,526	2,539		22,065	60,649



Operating Cost

	2017-18 Determined	2017-18 Actual	2018-19 Projected
--	-----------------------	-------------------	----------------------

A Power Purchase Cost

Transmission Charge	[Mln Rs]		
Adjustment *	[Mln Rs]	-	
Total Power Purchase Cost	[Mln Rs]	-	-

* Provide the detail of adjustment

B Operation & Maintenance ***Employees Cost ****

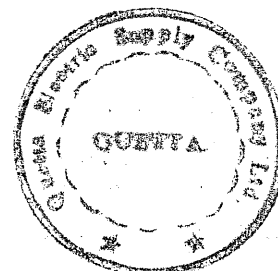
Salaries, Wages & Benefits	[Mln Rs]		2,806	3,064
Retirement Benefits Paid	[Mln Rs]		588	646
Total Employees Cost	[Mln Rs]	3,214	3,394	3,710
Admin Expenses	[Mln Rs]		238	176
Repair & Maintenance	[Mln Rs]	650	532	574
Travelling	[Mln Rs]	173	186	187
Transportation	[Mln Rs]	222	181	194
Management Fee	[Mln Rs]		-	14
Miscellaneous Expenses	[Mln Rs]	120	-	65
Total O&M	[Mln Rs]	4,379	4,531	4,919

C Depreciation & Amortization

Depreciation	[Mln Rs]	916	2,172	2,539
Amortization of Leased Assets	[Mln Rs]	0	0	0
Total	[Mln Rs]	916	2,172	2,539

D Provision for Bad Debts

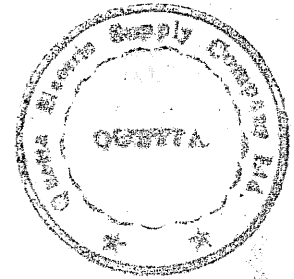
Provision for bad debts *	[Mln Rs]	0	-	-
Bad debts written off	[Mln Rs]			



FORM - 17

Distribution Margin Comparison:

	2016	2017	2018	2019
O&M Expenses			4,531	4,919
Increase in %			#DIV/0!	8.56%
Depreciation			2,172	2,539
RORB			1,577	6,407
Provision for baddebts				-
Other Income			(3,573)	(1,088)
Distribution Margin	-	-	4,707	12,777
MDI			-	-
DM per kWh			0.96	2.67
DM per unit increase		#DIV/0!	#DIV/0!	178.51%



FORM - 18

QESCO

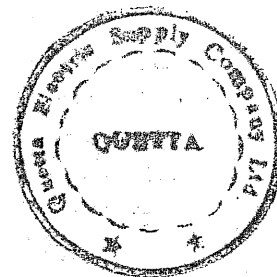
Financial Charges

		2015-16	2017-18	2018-19
		Determined	Actual	Projected
A	Long Term Loans	-	-	-
	GOP loans	-	227	227
	Foreign Loans	-	654	654
	Bonds	-	-	-
	TFCs	-	-	-
	Total	-	881	881
B	Short Term Loan	-	-	-
	Running Finance	-	-	-
	Short Term Loan	-	-	-
	Others	-	2	2
	Total	-	2	2
C	Total Financial Charges (A+B)	-	883	883



RORB Calculation

		2015-16	2017-18	2018-19
		Determined	Actual	Projected
A	Gross Fixed Assets in Operation - Opening Bal	[Mln Rs] 18,444	18,444	80,989
B	Addition in Fixed Assets	[Mln Rs] 5,747	5,747	1,724
C	Gross Fixed Assets in Operation - Closing Bal	[Mln Rs] 24,191	24,191	82,713
D	Less: Accumulated Depreciation	[Mln Rs] 9,221	9,221	22,065
E	Less: Revaluation Reserve		-	29,943
F	Net Fixed Assets in Operation	[Mln Rs] 14,970	14,970	30,706
G	Add: Capital Work In Progress - Closing Bal	[Mln Rs] 13,410	13,410	22,501
H	Investment in Fixed Assets	[Mln Rs] -	-	-
I	Less: Deferred Credits	[Mln Rs] 17,114	17,114	12,154
J	Regulatory Assets Base	[Mln Rs] 11,266	11,266	41,054
K	Average Regulatory Assets Base	[Mln Rs] 10,078	10,078	40,948
	Rate of Return	[%age] 11.83%	15.65%	15.65%
	Return on Rate Base	[Mln Rs] 1,192	1,577	6,407
	Return on Rate Base for the Year	1,192	1,577	6,407



FORM - 20

QESCO

Revenue Requirement

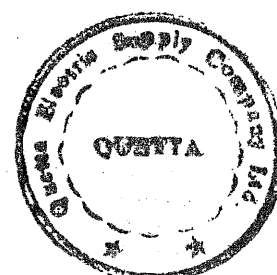
		2015-16	2017-18	2018-19	
		Determined	Actual	Projected	
A	Power Purchase Price	[Mln Rs]	-	-	
B	DM				
	O&M	[Mln Rs]	4,379	4,531	4,919
	Provision for baddebts	[Mln Rs]			
	Depreciation	[Mln Rs]	916	2,172	2,539
	RORB	[Mln Rs]	1,192	1,577	6,407
	Other Income	[Mln Rs]		(3,573)	(1,088)
	Impact of Disallowed Losses	[Mln Rs]			
	Total DM	[Mln Rs]	6,487	4,707	12,777
	Interest on loan for power purchase	[Mln Rs]	-	-	-
C	Revenue Requirement (A+B)	[Mln Rs]	6,487	4,707	12,777
D	Less/ (Excess) Recovery	[Mln Rs]	-	-	-
E	Total Revenue Requirement (C+D)	[Mln Rs]	6,487	4,707	12,777

FORM - 20 (A)

Distribution Company

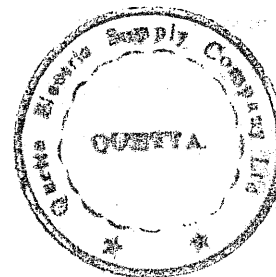
Revenue Requirement (per unit sold)

		2015-16	2017-18	2018-19	
		Determined	Actual	Projected	
A	Power Purchase Price	[Rs/ kW]	-	-	-
B	DM				
	O&M	[Rs/ kW]	1.00	0.92	1.03
	Depreciation	[Rs/ kW]	0.21	0.44	0.53
	Provision for bad-debts	[Rs/ kW]	-	-	-
	RORB	[Rs/ kW]	0.27	0.32	1.34
	Other Income	[Rs/ kW]	-	(0.73)	(0.23)
	Impact of Disallowed Losses	[Rs/ kW]	-	-	-
	Total DM	[Rs/ kW]	1.49	0.96	2.67
	Interest on loan for power purchase	[Rs/ kW]	-	-	-
C	Revenue Requirement (A+B)	[Rs/ kW]	1.49	0.96	2.67
		[Rs/ kW]			
D	Less/ (Excess) Recovery	[Rs/ kW]	-	-	-
E	Total Revenue Requirement (C+D)	[Rs/ kW]	1.49	0.96	2.67



FORM - 21 (A)
Distribution Company
Investment

		2015-16	2017-18		2018-19
		Determined	Budgeted	Estimated	Projected
A Investment Plan					
DOP	[Min Rs]	200		78	16
ELR	[Min Rs]	400		90	88
STG	[Min Rs]	1000		450	344
PDEIP	[Min Rs]	3481		0	0
Deposit Works		1392		1147	1200
Construction of G/S & T/L	[Min Rs]	1107		395	395
Total	[Min Rs]	7580	0	2160	2043
B Financing Arrangement					
Cash Development Loan	[Min Rs]			395	395
Kuwait Fund	[Min Rs]				
PSDP / Own Resources	[Min Rs]	3403.2		618	448
Grant	[Min Rs]	1322.4		1089.65	1140
Consumer Contribution	[Min Rs]	69.6		57.35	60
Asian Development Bank	[Min Rs]	2784.8		0	0
Total	[Min Rs]	7580		2160	2043



FORM - 21 (B)
Energy Loss Reduction
2018-19 (Actual)

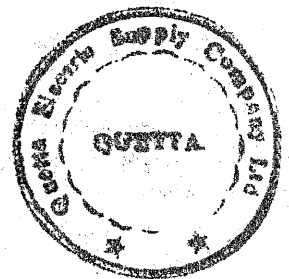
Feeder & HT	Mekhar	Sorrange	Sorrange	Pak Rozi	Jabal Pur	17 LT	Total
Investment made for the year	9	11	8	6	9	45	88
Objective	Bifurcation Re-conducting		Bifurcation		Augmentation		
Expected reduction in losses of the feeders	1.4%	1.3%	1.1%	1.2%	1.1%	1.2%	

FORM - 21 (B)
Distribution of Power
2018-19 (Actual)

Feeder & HT	Khuzdar & Bahadurabad								Total
Investment made for the year	13	3							16
Objective	New	Extention	Extention	New	Extention	New	New	New/Extention	
Expected reduction in losses of the feeders	1.7%	1.4%	1.1%	1.3%	1.5%	1.1%	1.2%	1%	

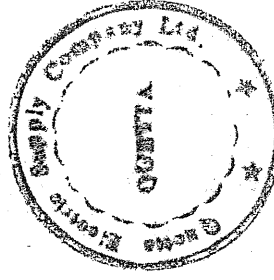
FORM - 21 (B) STG 2018-19

Nature of work		Construction of G/S Transmission Line								Total
Name of 132 G/S		Jevani	Omarra	155 Km Gawadar-Jevani T/L						
Investment made during the year		90	54	200						344
Existing Level of MVA										
Objective Addition in MVA after completion		26	26							



QESCO
Development Loan

Sr. No.	Loan	Interest Rate	Remaining Years	First Qtr of FY			Second Qtr of FY			Third Qtr of FY			Fourth Qtr of FY			
				OBal	Disbursement	Repayment	CBal	OBal	Disbursement	Repayment	CBal	OBal	Disbursement	Repayment	CBal	
1	Cash Development Loan	11%		3,503	70	-	3,432	3,432	70	-	3,721	3,721	3,721	119	3,840	3,840
2	Foreign Direct Loan (ADB)	17%		11,896	-	-	11,896	11,896	-	-	11,896	11,896	11,896	-	11,896	11,896
3	Foreign Re-lent Loan (Governt Fund)	11%		1,210	-	-	1,210	1,210	-	-	1,210	1,210	1,210	-	1,210	1,210
4																
				16,468	70	-	16,547	16,547	70	-	16,628	16,628	16,745	119	16,745	16,863,000





QUETTA ELECTRIC SUPPLY COMPANY LIMITED

Phone # 081 9203308
Fax # 081 9201335
E.Mail fdqesco@yahoo.com

FINANCE DIRECTORATE
QESCO QUETTA

No. 1666 / FD / QESCO / Comp

Dated 12/11/ 2019

→ The Registrar NEPRA,
NEPRA Tower,
Atta Turk Avenue (East),
G-5/1, Islamabad.

Subject:- Tariff Petition Fee.

It is to inform you that we have already paid Tariff Petition Fee for the FY 2018-19 amounting to Rs.938,928/- vide cheque No. 00006676 dated 8/6/2018.

For my attention &
— DROI / Dng I Ma M.


FINANCE DIRECTOR

Gp. h:

13 11 19

— SAT-II
— ADG (Fm)
— MF

e: chairman
vc
MCT)

REGISTRAR
Dy. No: 115/13
Date: 13/11/19