

**ISSUES FOR HEARING - PETITION FILED BY QUETTA ELECTRICITY SUPPLY COMPANY LIMITED (QESCO) FOR DETERMINATION OF TARIFF FOR DISTRIBUTION OF POWER FOR THE FY 2019-20.**

1. The following issues have been framed to be considered during the hearing and for presenting written as well as oral evidence and arguments;
  - i. Whether the Petitioner has complied with the direction of the Authority in their earlier determination?
  - ii. Whether the basis used by the Petitioner for bifurcation of its costs into supply and distribution segments are reasonable?
  - iii. Whether the projected demand (kW) and projected power purchase cost is reasonable?
  - iv. Whether the projected Distribution Margin (excluding RoRB) is justified? The petitioner is required to provide Grid wise plan of its proposed O&M.
  - v. Whether the projected Return on Regulatory Asset base (RORB) for the FY 2019-20 is justified?
  - vi. Whether the requested PYA is justified?
  - vii. Whether the distribution margin should be recovered on Rs./kW or Rs./kWh basis?
  - viii. Whether the requested T&D loss target of 22.70% for the FY 2019-20 is reasonable? Whether this target comprises of both Technical and Commercial losses?
  - ix. Whether QESCO fully utilized the investments in different heads allowed previously in FY 2016-17 and FY 2017-18? QESCO is required to provide project wise detailed report showing benefits achieved so far.
  - x. Whether the requested investment without submission of 5 Year IGTDP is justified?
  - xi. Whether the petitioner's proposed Investment Plan Rs. 9,987 million for the FY 2019-20 is justified? Petitioner must provide the project wise detailed report along with rationale against the requested investment for FY 2019-20.
  - xii. As per the available record, QESCO is unable to draw its allocated power quota. QESCO is required to submit reasons for less drawal by identifying the grey areas in its transmission and distribution system. QESCO is also required to submit load shedding policy in high loss areas and what are the proposed plans specifically for loss reduction and removal of overloading and system constraints / congestions to ensure full drawal of its allocated quota?
  - xiii. Whether the ToU meters installed on Residential connections have the capability to record MDI?
  - xiv. QESCO admitted that out of total 29,000 agricultural connections, around 10,000 connections are without meters and declared illegal resulting in additional T&D losses and less recovery. QESCO is required to mention the current status and what are the strategies that have been followed for the recovery from Agricultural / Tube well consumers?
  - xv. As provided in NEPRA Amendment Act, 2018, QESCO as Distribution Licensee shall be deemed to hold Supply License also for a period of 5-years. In this regard, QESCO is required to explain its organizational restructuring in respect of segregation of responsibilities for Distribution Business and Sale Business?

- xvi. As per NEPRA Amendment Act, 2018, obligations of procurement of assets including meters (for satisfying its services) and disconnection / reconnection services (on demand of Supplier) are with Distribution Licensee whereas procedure for metering, billing, collection of approved charges and recovery of arrears are the obligations of Supply Licensee. In this scenario, QESCO is required to state the mode and manner being developed and followed for appropriate coordination between Distribution Licensee and Supply Licensee?
- xvii. Whether the concerns raised by the intervener/ commentator if any are justified?
- xviii. Any other issue that may come up during or after the hearing?