

Urgent
Government of Pakistan
Ministry of Energy
Power Division

For info & n (2 P) / 31/12/21
- A D (CT)
copy to:
- SAC Tech
- SA (NBE)
- LA (CRIP) - m.i
cc: Chairman
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No. F. 4(4)/2021-Policy

Islamabad, 30th December, 2021

The Registrar NEPRA
NEPRA Tower Attaturk Avenue (East),
Sector G-5/1, Islamabad.

Subject: POLICY GUIDELINES UNDER SECTION 31 OF REGULATION, GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 FOR RETARGETING OF POWER SECTOR SUBSIDIES – PHASE – II

I am directed to refer to NEPRA determination NEPRA/RJADG(Tariff)/TRF-100/XWDTSCOs/37543-37545 dated September 23, 2021 (**Annex I**) wherein NEPRA approved Phase-I of the three phase subsidy reform. The Phase-I provided expanded definition of lifeline consumers, creation of new categories of consumers (protected and unprotected) and restructuring of 301-700 units slab without changing effective tariff. Accordingly, the modification/adjustment in DISCOs Schedule of Tariff (SoT) and terms and conditions thereof, has been notified by Federal Government vide SROs 1280 to 1289 (I)/2021 dated October 01, 2021 (**Annex II**).

2. The Authority vide its aforementioned determination further desired the provision of detailed working including financial impact on each category of consumers and accordingly the same is attached (**Annex III**). The Phase II of the subsidy reforms entails the following:

- a) Residential consumers: Gradual reduction in total net subsidy for unprotected consumers, reduction in cross-subsidy and removal of previous slab benefit.
- b) Agricultural consumers: Dividing agriculture tube-wells slab into two categories and reforming / gradually decreasing subsidies to QESCO tube-wells by subsidizing solarization / modernization of tube-wells.

3. For implementation of Phase-II as mentioned in Para 2 above, a two-part approach is considered keeping in view the different timelines involved for proper analysis and firming up of proposal.

4. In light of the above, Policy Guidelines as approved by the Federal Government (**Annex-IV**) under section 31 of Regulation, Generation, Transmission and Distribution of Electric Power Act, 1997 for

Continued Next Page

Tariff Division Record

By No. 09
Date: 3-1-22

REGISTRAR

By No. 18667
31.12.2021

retargeting of power sector subsidies for implementation of part-(a) of phase-II, except cross subsidy reduction, as mentioned in Para 2 above is hereby conveyed for consideration of Authority for:

- a. Removal of one slab benefit (Incremental Block Tariff) and incorporation of revised subsidy and inter distribution companies tariff rationalization / cross subsidies through modifications / adjustments in the DISCOs SoT as well as uniform SoT as was determined by NEPRA and notified through SRO Nos. 01 to 10 of 2019 dated January 01, 2019 as modified by SRO Nos. 182(I)/2021 to 191(I)/2021 dated February 12, 2021, SROs 1280 to 1289 (I)/2021 dated October 01, 2021 and SROs 1419 to 1428 (I)/2021 dated November 05, 2021 including the KE Schedule of Tariff currently in field (**Annex V**).
- b. The Federal Government intended to implement the proposal modified / adjusted tariff structure as mentioned above with effect from 1st February 2022.

C.
Ehtisham
30/12/2021
(M. Ehtisham ul Haq)
Section Officer (Policy)
Ph : 9103954



Registrar

National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Tariff)/TRF-100/XWDISCOs/37543-37545
September 23, 2021

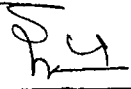
Subject: Determination in the matter of Policy Guidelines forwarded by the Ministry of Energy (MoE) under Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 for providing basis for Re-Targeting Power Sector Subsidies in Futre

Dear Sir,

Please find enclosed herewith subject Determination of the Authority along with Annexures (152 pages).

2. The Determination along with Annexures is being intimated to the Federal Government for the purpose of notification in the official gazette pursuant to Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

Enclosure: As above


23 09 21
(Syed Safer Hussain)

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

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.

Determination in the matter of Policy Guidelines forwarded by the Ministry of Energy (MoE) under Section 31 of Regulation, Generation, Transmission Distribution of Electric Power Act, 1997 for providing basis for Re-Targeting Power Sector Subsidies in future

1. **Background**

- 1.1. The Ministry of Energy (Power Division) vide letter dated June 9, 2021, forwarded Policy guidelines (guidelines), as approved by Federal Government, for incorporation of the same through modification/adjustment in DISCOs schedule of Tariff (SoTs) as well as uniform SoT, as determined by NEPRA and notified through SRO Nos. 374(1)/2018 to 383(1)/2018 dated March 22, 2018, as modified by SRO Nos. 01 to 10-of 2019 dated January 01, 2019 and SRO Nos. 182(1)/2021 to 191(1)/2021 dated February 12, 2021 including the K-Electric Schedule of Tariff currently in field.
- i. Expanded definition of the lifeline consumers to include residential Non-Time of Use (ToU) consumers having maximum of last twelve months and current month's consumption ≤ 100 units; two rates for ≤ 50 and ≤ 100 units will continue.
 - ii. Create a new category of protected consumers (those consuming < 200 kWh per month consistently for the past 6 months).
 - iii. Break the 301-700 slab into four slabs — 301-400, 401-500, 501-600 & 601-700 with the same marginal tariff
 - iv. Each of these slabs would continue to get the previous slab benefit of < 300 kWh slab as today
 - v. The federal Government intended to implement the proposal modified / adjusted tariff structure as mentioned Ito IV above with effect from 1st June, 2021.

2. **Proceedings**

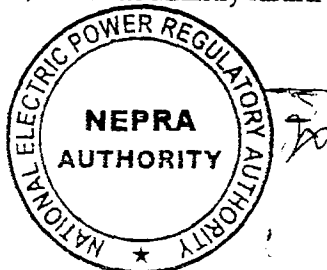
- 2.1. As the impact of the guidelines would directly impact the consumers, the Authority decided to provide an opportunity of hearing to all the stakeholders. Accordingly, a hearing in the matter was held on August 09, 2021, for which the following issues were framed for discussion during the hearing.

- (i) What is the financial impact of the Policy Guidelines on different category of consumers as well as on DISCOs?
- (ii) Whether the proposed guidelines shall be applied retrospectively or prospectively?

3. On the basis of pleadings, evidence/record produced and arguments raised during the hearing, issue-wise discussion is as under;

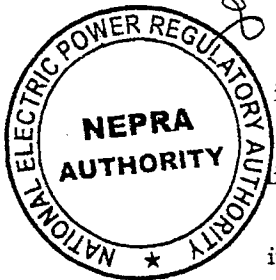
4. **What is the financial impact of the Policy Guidelines on different category of consumers as well as on DISCOs?**

- 4.1. The Ministry of Energy (herein referred to as "MoE", or "the Ministry") in its request submitted that National Power Policy, 2013, approved by Council of Common Interest (CCI), stipulates that "the low-end consumers will be protected from any price escalation, and tariff rationalization will be done to eliminate subsidy with industrial, commercial and bulk consumers as well as a level playing field will be created by providing power at comparable prices to all industrial users. ECC approved the National Power Tariff and Subsidy Policy Guidelines, 2014. The Ministry further submitted that NEPRA determined



uniform tariff to be charged from the electricity consumer, including the impact of subsidy and inter-DISCO tariff rationalization, in term of section 31 (4) of NEPRA Act, 1997 and the latest uniform tariff in filed has been notified on February 12, 2021.

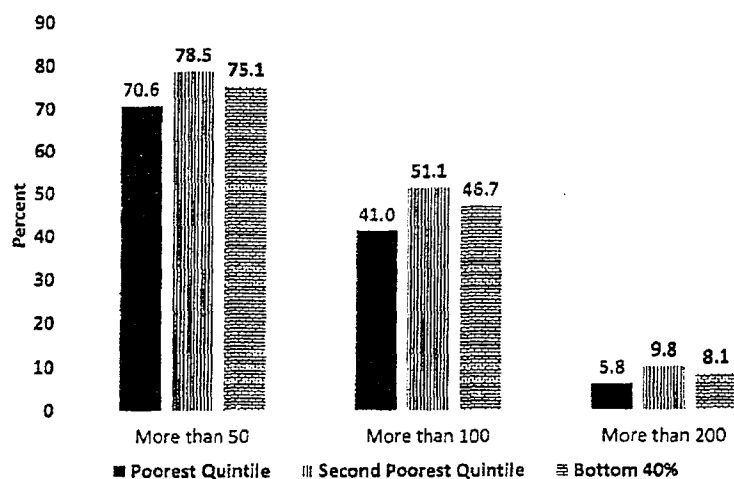
- 4.2. In addition Ministry submitted that in order to make effective utilization of tariff differential subsidy, it is essential that it should target to lower income group of the society rather than flat application on slab-based consumption below 300 units per month. Accordingly, the residential subsidies should be more targeted and it is essential that exclusion criteria are applied on the slabs below 300 units per month so that electricity subsidies for the residential consumers should be restricted to the lowest socioeconomic class of consumers. It has been further stated that after completion of Ehsaas survey and linkage of residential electricity meters with CNICs, it will become possible to use Ehsaas socio-economic registry for provision of electricity subsidy. Until then, electricity consumption itself can be used as a proxy for determining the socioeconomic status of the consumers and determining their eligibility for subsidy, because electricity consumption itself is a recognized measure of socio-economic status.
- 4.3. The Ministry further submitted that in view thereof, the Prime Minister on 10th February, 2021, principally approved subsidy reform proposal and accordingly ECC of the Cabinet approved the three phased proposals for subsidy reforms. As per the first phase, tariff structure to be modified /adjusted to ensure that the most vulnerable residential consumers are identified through electricity consumption so that they are fully or partially protected from future price increases.
- 4.4. Accordingly, the following policy guidelines, as approved by Federal Government, are submitted for consideration of the Authority and for incorporation of the same through modification/adjustment in the DISCOs schedule of Tariff (SOTs) as well as uniform SOTs determined by NEPRA and notified through SRO Nos. 374(1)/2018 to 383(1)/2018 dated March 22, 2018, as modified by SRO Nos. 01 to 10 of 2019 dated January 01 2019 and SRO Nos. 182(1)/2021 to 191(1)/2021 dated February 12, 2021 including the K-Electric Schedule of Tariff currently in field.



- i. Expanded definition of the lifeline consumers to include residential Non-Time of Use (ToU) consumers having maximum of last twelve months and current month's consumption ≤ 100 units; two rates for ≤ 50 and ≤ 100 units will continue.
 - ii. Create a new category of protected consumers (those consuming < 200 kWh per month consistently for the past 6 months).
 - iii. Break the 301-700 slab into four slabs - 301-400, 401-500, 501-600 & 601-700 with the same marginal tariff
 - iv. Each of these slabs would continue to get the previous slab benefit of < 300 kWh slab as today
 - v. The Federal Government intended to implement the proposal modified / adjusted tariff structure as mentioned Ito IV above with effect from 1st June, 2021.
- 4.5. The Ministry during the hearing submitted that subsidy should be based on socio-economic conditions of the consumers, however, currently, 24.5 million (99%) domestic consumers are getting subsidy benefits as system protects consumption below 300 units or due to incremental slab benefits. The Ministry stated that in the long term, subsidies should only

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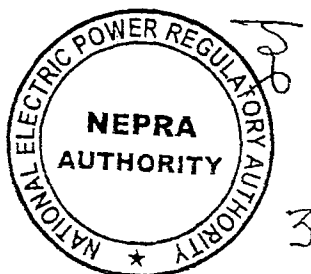
be delivered to vulnerable groups in cash only, based on identification done through Ehsaas program. However, in the short of medium term, subsidies can be delivered based on electricity consumption, which can be used as proxy of socio economic status, for such consumption categories (slabs) identified as vulnerable based on evidence from Household Integrated Economic Survey (HIES). The Ministry submitted that HIES for the 2018-19 by Pakistan Bureau of Statistics reveals that around 92% of the bottom two income quintiles (40%, 10 Mln Households) consume less than 200 kWh per month. The Ministry presented the following table in this regard;



- 4.6. The Ministry accordingly proposed that Residential Non-TOU consumers having consumption ≤ 200 units in last six months be categorized as Protected consumers and the remaining consumers as unprotected. The Ministry in order to justify its request for Protected category up-to 200 consumers, submitted that applying a cut-off threshold of 200 units per month along seasonality criteria of previous six months (consecutively), allows to get closer to the number of households (11 million) in the bottom 40%. The Ministry presented the following details in this regard;

	%protected		# meters protected
	consumption	meters	
Average 12 months below 200	53.51	75.49	18,762,982
Average 6 months below 200	55.49	74.87	18,609,671
Max 6 months below 200	18.36	44.41	11,038,157
Max 12 months below 200	11.77	35.72	8,878,606

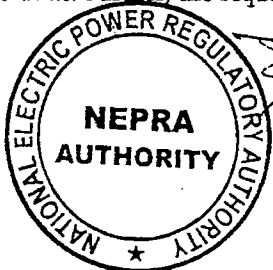
- 4.7. The Ministry further requested that definition of Life line be expanded to include residential Non-ToU consumers having maximum of last twelve months and current month's consumption ≤ 100 units, however the two rates i.e. for ≤ 50 and for ≤ 100 units will continue. It has also been submitted to break the 301-700 slab into four slabs i.e. 301-400, 401-500, 501-600 & 601-700 with the same marginal tariff and each of these proposed slabs would continue to get the previous slab benefit of < 300 kWh slab as applicable today.
- 4.8. The Ministry submitted that the proposal has no financial implication on consumers and DISCOs, whereas expanding the definition of lifeline consumer would provide a relief to



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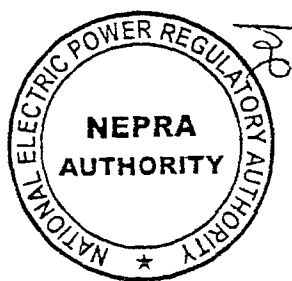
these consumers i.e. from FCA, QTAs, surcharges. The Ministry requested to implement these changes immediately and also for the consumers of K-Electric.

- 4.9. Upon inquiry from the Authority during hearing, the MoE on Phase II and Phase-III of the Guidelines, submitted that Phase-II involves gradual reduction in total net subsidy for unprotected residential consumers through reduction in cross-subsidy and removal of previous slab benefit. It was also stated that agriculture tube-wells slabs would be divided into two categories and subsidies to QESCO tube-wells would be reformed by subsidizing solarization /modernization of tube-wells.
- 4.10. Regarding Phase-III, the Ministry presented the following;
- ✓ Reduce number of slabs for residential consumers among
 - Protected (subsidized directly by Annual Budget),
 - Unprotected <X (below cost recovery cross-subsidized by high users)
 - Unprotected X-Y (at cost recovery) and
 - Unprotected >Y (above cost recovery to cross-subsidize low users)
 - ✓ When DISCO/CNIC data are validated – integrate with NSER and deliver subsidy to the neediest
 - ✓ Adjusting tariffs of industrial, commercial and agriculture slabs to have zero net subsidies
 - ✓ Delinking FATA and AJK subsidies from electricity tariffs
- 4.11. Regarding application of Quarterly adjustments and FCAs, if the scope of lifeline consumer is extended, the MoE submitted that similar practice for lifeline consumer as existing may be applied to the extended lifeline consumers wherein, no impact is allowed on lifeline consumer and the impact of Quarterly adjustment and positive monthly fuel charge adjustment is passed onto remaining consumers.
- 4.12. The Ministry of Planning, Development and Special Initiatives (Energy Wing) in its written comments regarding changing definition of lifeline definition submitted that Using maximum of 100 kWh in the last 12 months will exclude significant population from life line category, therefore, average consumption in the last 12 months is a better consumption. The Ministry of Planning regarding creating a category of protected consumer submitted that new category should use average consumption of 200kWh over the past twelve months rather than maximum. The Ministry of Planning however supported creation of multiple slabs to encourage energy efficiency among residential customer behavior.
- 4.13. Representative of K-Electric during the hearing submitted that the changes should not have an impact on its revenue or tariff, so NEPRA should ensure that there is neither any gain nor loss.
- 4.14. Mr. Arif Bilwani in his written comments submitted that the MoE is only relying on the statistical data of consumers (received from FBS) based on percentages that will be affected due to shuffling and juggling. Even the current slab system pre-supposes that domestic consumers with Single Phase meter connections falling within the bracket of 301-700, are all wealthy and rich who could afford to cross subsidize others and that all domestic consumers with 3 phase meter connections are ultra-rich even if they are consuming <300 or fall between 300-700 units. Further, the request for creating new category, consuming



less than 200 units per month consistently for the past six months be amended to "On an average of less than 200 units for last 12 months" so as to weed out cyclical differences of consumption due to changes in weather and errors or skipping meter reading by meter readers be taken care off.

- 4.15. Mr. Zubair Motiwala, representing KCCI, opposed the policy guidelines and submitted during the hearing that cost of living is increasing and if the difference between summer and winter electricity bills is removed, those consumers who save during the winter due to low consumption in order to pay higher bill in summer would not be able to do so. He also submitted that the objective of these amendments are to pass on the impact of inefficiency onto the paying consumers rather it should be borne by KE and XWDISCOs. It was also proposed by KCCI that for the protected consumers rather than 200 units in each month, a target of 2,400 units in 12 months may be set.
- 4.16. The Ministry of Energy in response to Mr. Zubair Motiwala, submitted that NEPRA only allows regulated benchmark of losses and 100% recovery, thus, any inefficiency beyond the allowed benchmarks is borne by DISCOs.
- 4.17. Representative of Pakistan Engineering Council (PEC) did not support the intended amendments citing the reasons that electricity has become so expensive that the middle class cannot afford it and they don't come under the Ehsaas program as well.
- 4.18. Mr. Khaleeq Kiyani submitted that people may get multiple connection to get the benefits.
- 4.19. Mr. Khuram, a consumer, while supporting the proposal, submitted that with the present mechanism, even well-off consumer get subsidies in some months, despite the fact that they consume more than 1,000 units in a particular month. Therefore, subsidies should be looked into in a way it is provided to the right person who deserves subsidies.
- 4.20. Representative of Jamaat-e-Islami did not support the policy guidelines.
5. **Whether the proposed guidelines shall be applied retrospectively or prospectively?**
 - 5.1. Regarding implementation of Guidelines, the MoE submitted that no billing to consumer has been implemented retrospectively in the past, therefore, these changes may be implemented immediately in XWDISCOs and for the consumers of K-Electric as well.
 6. The Authority observed that although, the MoE, during the hearing submitted that the proposal has no financial implication on consumers and DISCOs, however, keeping in view the proposed Phase-II and Phase-III, the Authority directed MoE to share the final financial impact on consumers, if any, arising out of Phase II & Phase III, in order to make a more informed decision on the instant request of the MoE regarding Phase I. A letter in this regard was also written to the MoE dated 23.08.2021, directing it to provide the financial impact on consumers that may arise as a result of Phase-II and Phase-III along-with certain other details within 7 days.
7. The MoE in response vide letter dated 13.09.2021, submitted the following:
 - ✓ The guidelines regarding adjustment in Schedule of Tariff (SOT) pertain to structural change only rather than a change in the mechanism. Therefore, the existing mechanism for quarterly adjustments will continue to be applicable at this stage.



- ✓ At this stage, only Phase I of the policy guidelines will be implemented and the same has been referred to NEPRA for determination. The Phase-I does not envisage any change in the level of cross-subsidy as determined and notified by the Authority. The working for Phase-II will be initiated once NEPRA issues its determination with regard to Phase-I. Meanwhile, the requisite working along with its financial impact will be finalized in due course of time and accordingly after approval from the GoP, the same will be submitted for consideration by the Authority in terms of section 31, clause 3 (g) of the NEPRA Act.
 - ✓ As explained in previous Para, the detailed assessment will be submitted for consideration by the Authority in terms of NEPRA Act before moving towards the implementation and determinations for Phase-II. However, the objective for this initiative is to gradually rationalize the subsidy mechanism, currently implemented through the tariff regime, from indirect subsidy to the direct subsidy regime.
 - ✓ The detail working for plot size or motor capacity has yet to be initiated and once it is finalized, the same will be submitted for consideration by the Authority for Phase-II as stated previously. In order to rationalize the subsidy mechanism, the division of agricultural slabs into two categories will ensure that the agricultural consumers that are vulnerable to an increase in future prices, benefit more from the subsidy.
 - ✓ As explained previously, Phase-I is not contingent on Phase-II or Phase-III since Phase-I implementation does not provide for any change in the level of cross-subsidy as determined and notified by the authority. However, the detail working for Phase-II and Phase-III will be submitted for consideration by the Authority in terms of section 31, clause 3(g) of the NEPRA Act before moving towards its implementation and determination. It is reiterated that the objective of this initiative is to gradually rationalize the subsidy mechanism, currently implemented through the tariff regime, from indirect subsidy to the direct subsidy regime.
 - ✓ NEPRA is requested to consider the policy guidelines of the Federal Government for incorporation of the same through modifications / adjustments in the DISCOs Schedule of Tariffs (SOT) given at Para 6 of the MoE letter dated 9.06.2021.
8. The Authority noted that the MoE during the hearing submitted that the proposal has no financial implication on consumers and DISCOs. Similarly, in response to NEPRA letter, the MoE vide letter dated 09.06.2021, categorically stated that adjustment in Schedule of Tariff (SOT) pertain to structural changes only, rather than a change in the mechanism and the proposed Phase-I of the policy guidelines does not envisage any change in the level of cross-subsidy as determined and notified by the Authority. It has further been stated that detailed working for Phase-II and Phase-III will be submitted for consideration of the Authority, before moving towards its implementation.
9. The Authority, based on the submissions of the MoE and keeping in view the proposed modifications/ adjustments in the DISCOs schedule of Tariff (SOTs) & terms & conditions, approves Phase-I of the guidelines, to be applied prospectively, once the instant decision is notified. However, for Phase-II and Phase-III, the Authority directs the MoE to ensure provision of detailed workings including financial impact on each category of consumers, at the time of submission of Phase-II and Phase-III to the Authority. Thus, approval of Phase-I of the Guidelines in no way be construed as basis for approval of Phase-II and Phase-III of the Guidelines. The Authority would independently process Phase-II and



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Phase-III on its merits and would only consider it if the Authority is satisfied after making its own due diligence and following the due process of law.

10. Accordingly, the Annex-A, B and C along-with Annex-II & III of all XWDISCOs, attached with the decision of the Authority dated 12.02.2021, in the matter of Motion filed by the Federal Government with respect to Recommendation of the Consumer-end Tariff for XWDISCOs, subsequently notified vide SRO dated 12.02.2021, have been amended, to the extent of "A-1 General Supply Tariff-Residential", wherein Non-Time of Use (ToU) consumers have been bifurcated into two blocks of Protected and Unprotected categories. Moreover, the 301-700 slab has been bifurcated into four slabs i.e. 301-400, 401-500, 501-600 & 601-700 with the same tariff. Thus, having no financial impact on the consumers.
11. Further, following changes have been made in the Tariff terms & conditions of DISCOs including K-Electric in Part-II, A-I RESIDENTIAL;

Definition;

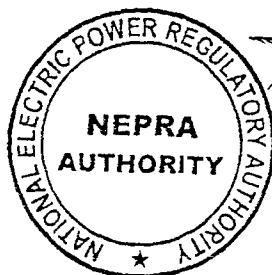
"Life Line Consumer" means those residential consumers having single phase electric connection with a sanctioned load up to 1 kW.

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".

12. The revised Annex-A, B and C (Uniform Tariff SoTs) along-with Annex-II, III and V (DISCO wise SoTs and Tariff Terms & Conditions) of all XWDISCOs are attached herewith, which shall replace the existing Annex-A, B and C along-with Annex-II, III and V of all XWDISCOs issued vide decision dated 12.02.2021 and subsequently notified vide SRO dated 12.02.2021. The revised SoTs and Terms & conditions shall be applicable prospectively, once the instant decision is notified.
13. Regarding, K-Electric, the MoE requested that the aforementioned changes be made in the Schedule of Tariff of K-Electric currently in field. The Ministry has also submitted that such changes would be applied prospectively. It is fact that K-Electric's MYT FY 2017-2023 was notified on May 22, 2019. It is also a fact that K-Electric quarterly adjustments, pursuant to notification of its MYT, have been determined by the Authority till quarter ended March 2020. The quarterly adjustment determined for the quarter "January to March 2020" is applicable for the quarter "April to June 2020". Therefore, stance of the MoE to make the proposed changes in the SoT of K-Electric currently in field but at the same time to apply these changes prospectively, seems contradictory. This will also compromise the principle of Uniform tariff across the country. In view thereof, the Authority has decided to approve in principle the aforementioned changes in the SoTs of K-Electric, however, the said changes shall be applicable prospectively and would be reflected in the relevant quarterly SoT of K-Electric, once the instant decision is notified by the Federal Government. The SoTs for the period from April 2020 till the date of notification of the instant decision would be issued as per the existing practice.



Government of Pakistan
Ministry of Energy

Islamabad, the 1st October, 2021

NOTIFICATION

S.R.O. 1260 (I)/2021. - In pursuance of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), the Federal Government is pleased to direct that the following amendments shall be made in its notification No. 185(I)/2021 dated February 12, 2021, with immediate effect:

2. In the aforesaid notification, Schedule-I, Schedule-II, Annex-III and Annex-V shall respectively be substituted with the Schedule of Electricity Tariffs at S-I, National Average Uniform Tariff at S-II&IIA, IESCO Estimated Sales Revenue at Annex-III, and the Terms and Conditions of Tariff (For Supply of Electric Power to Consumers by Distribution Licensee) at Annex-V, hereunder, per the determination of National Electric Power Regulatory Authority, as intimated vide letter dated September 23, 2021.
3. Subject to the amendments made through this notification, all other provisions, terms and conditions contained in notification No. 185(I)/2021 dated February 12, 2021 will continue to remain in full force and effect.

Government of Pakistan
Ministry of Energy

Islamabad, the 1st October, 2021

NOTIFICATION

S.R.O. ¹⁷⁸⁹ (I)/2021. - In pursuance of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), the Federal Government is pleased to direct that the following amendments shall be made in its notification No. 191(I)/2021 dated February 12, 2021, with immediate effect:

2. In the aforesaid notification, Schedule-I, Schedule-II, Annex-III and Annex-V shall respectively be substituted with the Schedule of Electricity Tariffs at S-I, National Average Uniform Tariff at S-II&IIA, TESCO Estimated Sales Revenue at Annex-III, and the Terms and Conditions of Tariff (For Supply of Electric Power to Consumers by Distribution Licensee) at Annex-V, hereunder, per the determination of National Electric Power Regulatory Authority, as intimated vide letter dated September 23, 2021.
3. Subject to the amendments made through this notification, all other provisions, terms and conditions contained in notification No. 191(I)/2021 dated February 12, 2021 will continue to remain in full force and effect.

Impact of Subsidy Reduction - Subsidy Reform Phase II

	Slab	Consumption	Subsidy Reduction	
			MkWh	(bln.Rs)
Protected	Up to 50 - Life Line	174	-	-
	1 - 100	4,001	-	-
	101 - 200	6,319	-	-
Un-Protected	1 - 100	2,522	0.2	0.08
	101 - 200	6,345	1.1	0.18
	201 - 300	11,435	5.5	0.48
	301 - 400	6,699	6.4	0.95
	401 - 500	3,679	3.5	0.95
	501 - 600	2,134	2.0	0.95
	601 - 700	1,361	1.3	0.95
	Total		20.0	

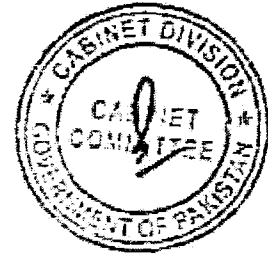
Item No.2

Case No.ECC-433/43/2021
Dated: 16th December, 2021

RETARGETING OF POWER SECTOR
SUBSIDIES - PHASE-II

DECISION

The Economic Coordination Committee (ECC) of the Cabinet considered the summary dated 9th December, 2021 submitted by the Power Division regarding "Retargeting of Power Sector Subsidies - Phase-II" and approved the proposal at para-3 of the summary subject to the condition that the impact of reduction in subsidy claims shall be shared with the Finance Division.



Case No. 1237/42/2021 Dated: 21.12.2021	Ratification of the Decisions taken by the Cabinet Committee on Economic Coordination (ECC) in its meetings held on 16-12-2021 and 17-12-2021
Presented by: Cabinet Division	

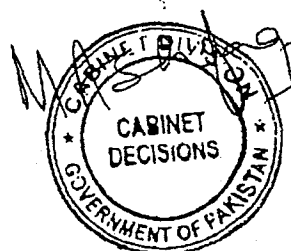
DECISION

- I. The Cabinet considered the summary titled 'Ratification of the Decision taken by the Cabinet Committee on Economic Coordination Committee (ECC) in its meetings held on 16-12-2021 and 17-12-2021' dated 17th December, 2021, submitted by the Cabinet Division, and ratified the decisions taken by ECC in the following cases:

ECC meeting dated 16-12-2021

Agenda item No.	Title	Ministry/ Division
1.	Technical Supplementary Grant Amounting to Rs.2,650.968 Million in favour of Ministry Housing & Works Under Demand "No.124-Capital Outlay on Civil Works" During the Current Financial Year (2021-22)	Housing and Works
2.	Retargeting of Power Sector Subsidies - Phase-II	Power
3.	Enhancement of Ways and Means Limit of the Government of Khyber Pakhtunkhwa	Finance
4.	Allocation of Budget to Launch Comprehensive Media Campaign on Government Initiatives, Programmes and Projects	Information and Broadcasting
5.	Report to the ECC of the Cabinet in compliance to ECC's decision dated 30-09-2021	Industries and Production
6.	Gas Supply Priority Order	Industries and Production

Cont'd....



Proposed Tariff					
Description	Current		Proposed	Change	
	Marginal	Effective			
Protected	Up to 50 - Life Line	3.95	3.95	-	
	1 - 100	7.74	7.74	-	
	101 - 200	10.06	10.06	-	
Un-Protected	1 - 100	9.42	9.42	9.50	0.08
	101 - 200	11.74	10.18	10.36	0.18
	201 - 300	13.83	12.14	12.62	0.48
	301 - 400	21.23	14.78	15.73	0.95
	401 - 500	21.23	16.24	17.19	0.95
	501 - 600	21.23	17.16	18.11	0.95
	601 - 700	21.23	17.80	18.75	0.95
	700+	24.33	22.22	22.22	-

PROPOSED REVISED SCHEDULE OF ELECTRICITY TARIFF - WITH PYA

A-1. GENERAL SUPPLY TARIFF - RESIDENTIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	Uniform Tariff Variable Charge with PYA		Applicable Variable Charges		
		Rs/kW/M	Rs/kWh		Rs/kWh		
Protected	a) For Sanctioned load less than 5 kW						
	i Up to 50 Units - Life Line	-	4.00	3.95			
	ii 51 - 100 Units - Life Line	-	14.59	7.74			
	iii 001 - 100 Units	-	14.59	7.74			
	iv 101 - 200 Units	-	16.41	10.06			
	Un-Protected	v 001 - 100 Units	-	14.59	9.50		
		vi 101 - 200 Units	-	15.19	10.36		
		vii 201 - 300 Units	-	16.62	12.62		
		viii 301 - 400 Units	-	17.73	15.73		
		ix 401 - 500 Units	-	18.03	17.19		
		x 501 - 600 Units	-	18.22	18.11		
		xi 601 - 700 Units	-	18.36	18.75		
xii Above 700 Units		-	19.56	22.22			
b) For Sanctioned load 5 kW & above							
Time Of Use	-	Peak	Off-Peak	Peak	Off-Peak		
		20.27	13.10	24.33	18.01		

As per Authority's decision, only protected residential consumers will be given the benefits of one previous slab.

As per Authority's decision residential life line consumers 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.

a) Single Phase Connections:

Rs. 75/- per consumer per month

b) Three Phase Connections:

Rs. 150/- per consumer per month