

**LAHORE ELECTRIC SUPPLY COMPANY LTD**

Office of Chief Executive Officer  
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No. 1922 /CFO/LESCO/CPC

Dated: Mar /28/2024

The Registrar NEPRA,  
NEPRA Tower Ataturk Avenue (East),  
G 5 / 1, Islamabad.

**Sub:- ADDENDUM-ANNUAL REVENUE REQUIREMENT, DISTRIBUTION MARGIN ADJUSTMENTS / INDEXATION FOR FY 2024-25 UNDER MULTIYEAR TARIFF (MYT) REGIME FOR DOP & SOP**

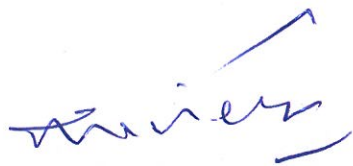
Ref: This office letter No.1891/CFO/LESCO/CPC dated 29-02-2024.

It is apprised that LESCO has filed its Annual Revenue Requirement, DM adjustment/ indexation request for FY 2024-25 vide letter referred at above. It is further apprised that LESCO MYT determinations for Distribution tariff has been made by Authority vide No. NEPRA/ADG Tariff/TRF-640/2436-40 & for Supply of Power Tariff vide No. NEPRA/ADG(Tariff)/TRF-603 dated March 14, 2024. Consequently, LESCO filing its addendum to already submitted its request for DM indexation/adjustment for FY 2024-25 for kind consideration of the Authority. The indexation request is submitted along with the following information /documents:

Sr. No.	Description	Submissions
1	Annual Revenue Requirement for FY 2024-25 along with its breakup into Distribution & Supply cost.	Annex-A
2	Proposed O&M Cost for FY 2024-25 along with its breakup into Distribution & Supply cost.	Annex-B
3	Breakup of O&M Cost & Other Income (Projected) into Distribution & supply cost for FY 2023-24.	Annex-C

4	Prior Period Adjustments for: FY 2022-23	Annex-D
5	RORB for FY 2024-25	Annex-E

The information is submitted for the kind considerations of the Authority for determination of Revenue Requirement of LESCO for FY 2024-25 as well as any other relief which the Authority may consider suitable.

  
**CHIEF EXECUTIVE OFFICER**  
**LESCO**



**LAHORE ELECTRIC SUPPLY COMPANY LIMITED**  
**OPERATING & MANAGEMENT COST (PROPOSED)**  
**FY 2024-25**

Sr. No.	Description	Distribution	Supply	Total	Remarks
1	Salaries & Other Benefits & Others	28,931	2,816	31,748	Annex-B-1
	PM Financial Assistance Package	273	27	300	
	New Hiring Cost	8,011	780	8,791	
	<b>Sub- Total</b>	<b>37,216</b>	<b>3,623</b>	<b>40,839</b>	
2	Provision for Post Retirement Benefits	18,615	1,812	20,427	The Authority determined amount for FY 2023-24 is requested for FY 2024-25, subject to change on the basis of Actuarial valuation report for the said period is available.
	<b>Sub- Total</b>	<b>18,615</b>	<b>1,812</b>	<b>20,427</b>	
3	Maintenance Expenses	4,509	439	4,948	CPI increase @ 29.66% (As on Dec-2023) is requested over FY 2023-24 expenses.
	Travelling Expenses	832	81	913	
	Vehicle Running Expenses	1,755	171	1,926	
	Other Expenses	2,951	287	3,238	
	<b>Sub- Total</b>	<b>10,046</b>	<b>978</b>	<b>11,024</b>	
	<b>Total ( 1 + 2 + 3 )</b>	<b>65,877</b>	<b>6,413</b>	<b>72,290</b>	
4	Less : CWIP	(718)		(718)	Average of Two Last year Audited Accounts
	<b>NET TOTAL</b>	<b>65,159</b>	<b>6,413</b>	<b>71,572</b>	

Allocation of Cost Ratio

91.13      8.87      100

**Additional Notes in Respect of**  
**Revenue Requirement of LESCO for FY 2024-25**

**1. Following are the assumptions for FY 2024-25 with respect to Pay And Allowances:**

- Adhoc Relief Allowance @ 20% of Basic Pay. The estimated financial impact is Rs. 2,002 mln for FY 2024-25.
- Enhancement of Rent Ceiling @ 30% w.e.f. Jul-2024. The estimated financial impact of is Rs. 779 mln for FY 2024-25
- Increase in Other employee's benefits like orderly allowance, washing allowance etc. in addition to annual increment in basic pay of employees.

**2. Other O&M Expenses:**

It is requested that Authority may consider the increase in other O&M expenses in line with previous Multiyear tariff methodology.

**Lahore Electric Supply Company Limited**  
**Operating & Management Expenses**  
**FY 2023-24 (Projected)**

	Mln Rs.		
<b>Description</b>	<b>Distribution</b>	<b>Supply</b>	<b>Total</b>
Salaries, wages and other benefits	24,030	2,339	26,369
Post Retirement benefits	18,615	1,812	20,428
Repair and maintenance	4,831	470	5,301
Rent, rates and taxes	101	10	110
Power, light and water	253	25	278
Communication	58	6	64
Office supplies and other expenses	468	46	513
Travelling expenses	641	62	704
Electricity bills collection expenses	464	45	509
Director's fees	22	2	25
Professional fees	343	33	377
Auditors' remuneration	-	-	-
Outside services employed	1	0	2
Management fees	189	18	207
Vehicle running and maintenance	-	-	-
Advertisement expenses	33	3	36
Miscellaneous expenses	344	33	377
<b>Total</b>	<b>50,393</b>	<b>4,905</b>	<b>55,299</b>
Less: Charged to capital work in progress	(977)	0	(977)
<b>Total</b>	<b>49,416</b>	<b>4,905</b>	<b>54,321</b>
<b>Depreciation</b>	<b>5,512</b>	<b>537</b>	<b>6,048</b>
<b>NET O&amp;M (Inc. Depreciation)</b>	<b>54,928</b>	<b>5,442</b>	<b>60,370</b>
Allocation Ratio	91.13	8.87	100

**Lahore Electric Supply Company Limited**  
**Other Income (Projected)**  
**FY 2023-24**

	Rs. Mln.		
<b>Description</b>	<b>Distribution</b>	<b>Supply</b>	<b>Total</b>
Meter / Service rent	-	634	634
Reconnection fees	-	37	37
Income from non-utility operations	2,125	-	2,125
Income from television license collection fee	-	48	48
Miscellaneous	783	76	859
Profit on bank deposits (Exc. Pension Fund)	6,348	704	7,052
Amortization of deferred credit	2,237	-	2,237
<b>Total</b>	<b>11,492</b>	<b>1,499</b>	<b>12,990</b>

**LESCO****Prior Year Adjustments**

		Rs. Mln.
Sr. No.	Description	Amount
1	PYA-2022	661
2	FY 2023-24 ( M. Tax payments)	7,389
3	DM-2023	5,539
4	Depreciation	441
	<b>Total</b>	<b>14,031</b>
<b>5 AQTA- Under/ Over Recovered</b>		
	2nd Qtr. FY 2022-23 (Apr. Jun. 23)	925
	3rd Qtr. FY 2022-23 (Jul. Sep. 23)	1,841
6	Other Income (2022-23)	(2,418)
7	Negative FCA Retained (Feb-2023)	(0.25)
8	Sales Mix Varaince 2023 (Under Recovered)	3,523
9	Pending FCA (Nov-2019 to Jun-2020) Annex D-1	4,053
10	PYA- (against determined in MYT)	8,869
<b>Prior Year Adjustment</b>		<b>30,822</b>



**Lahore Electric Supply Company Limited**  
**PYA 2022-23**

Description	Date	Rs. Mln.
Minimum Tax Payment to FBR	FY 2022-23 (Last Two Qtrs)	3,089
Minimum Tax Payment to FBR	26-09-2023	1,800
Minimum Tax Payment to FBR	27-12-2023	2,500

<b>Total Minimum Tax Payments</b>	<b>7,389</b>
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Note: Copies of CPRS attached.



LESCO

Turnover Tax (Minimum Tax Payment) Detail  
FY 2022-23 (Last Two Quarters)

Payment Date	Description	Nature	Amount PKR	CPR-No.	Tax Applicability	Advance Payment under Section
26-Jan-23	Turnover Tax (Minimum Tax) Payment	Minimum Tax	850,000,000	IT2023012601012213119	Section- 113	Section -147
27-Feb-23	Turnover Tax (Minimum Tax) Payment	Minimum Tax	600,000,000	IT2023022701012283604	Section- 113	Section -147
28-Mar-23	Turnover Tax (Minimum Tax) Payment	Minimum Tax	500,000,000	IT2023032801012401284	Section- 113	Section -147
Total			1,950,000,000			

WHT ON FBR MALOOMAT PORTAL

FY 2022-23

Payment Date	Description	Nature	Amount PKR	CPR-No.	Income Tax Ordinance 2001
During FY 2022-23	9202-Advance Income Tax				
	64040002-Profit on Debt u/s 151 from Bank Accounts / Deposits		345,127,274		
	64040052-Profit on Debt u/s 151 from Bank Accounts / Deposits		176,088,294		
	64150002-Cellphone Bill u/s 236(1)(a)		28,247		
	64040054-Profit on Debt u/s 151 from Other Securities		3,933		
	64130003-Private Vehicle Tax u/s 234		10,000		
	64150407-Functions / Gatherings Charges u/s 236CB (ATL @ 10% / Non-ATL @ 20%)		6,678		
	64040052-Profit on Debt u/s 151 (15% Profit exceeding 5 lac) (Non-ATL rate is 30%)		614,161,352		
	64151101-Purchase / Transfer of Immovable Property u/s 236K (ATL @ 1% / Non-ATL @ 2%)		3,447,510		
	64150005-Internet Bill u/s 236(1)(d)		4,732		
TOTAL			1,138,878,020		
Grand Total			3,088,878,020		

**INCOME TAX DEPARTMENT**  
**COMPUTERIZED PAYMENT RECEIPT ( CPR - IT )**



Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

**CPR No** : IT-20230126-0101-2213119  
**Payment Section** : 147 - Advance Income Tax - 9202  
**Nature of Payment** : Advance Income Tax  
**Account Head(NAM)** : B01105

**Payment Date** : 26-Jan-2023  
**RTO/LTO** : LTO LAHORE  
**Tax Period** : 2023

**Details of Tax Payer**

**NTN / CNIC** : 3041094-7 / 0038810  
**Status** : CO  
**Taxpayer/Business** :  
**Name & Address** : LAHORE ELECTRIC SUPPLY COMPANY LIMITED , 22-A QUEENS ROAD

**Tax Amount** : 850,000,000

**Amount of Tax in Words** : Eight Hundred Fifty Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	850,000,000	26-Jan-2023		



FBR ADC 0101

IT-20230126-0101-2213119

Signature & Stamp of Manager / Authorized officer

**INCOME TAX DEPARTMENT**  
**COMPUTERIZED PAYMENT RECEIPT ( CPR - IT )**



Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

**PR No** : IT-20230227-0101-2283604  
**Payment Section** : 147 - Advance Income Tax - 0202  
**Nature of Payment** : Advance Income Tax  
**Account Head(NAM)** : B01105

**Payment Date** : 27-Feb-2023  
**RTO/LTU** : LTO LAHORE  
**Tax Period** : 2023

Details of Tax Payer

**NTN / CNIC** : 3041094-7 / 0038810 **Status** : CO  
**Taxpayer/Business** :  
**Name & Address** : LAHORE ELECTRIC SUPPLY COMPANY LIMITED , 22-A QUEENS ROAD  
**Tax Amount** : 600,000,000

**Amount of Tax in Words** : Six Hundred Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	600,000,000	27-Feb-2023		



IT-20230227-0101-2283604

FBR ADC 0101

Signature & Stamp of Manager / Authorized officer

**FBR****INCOME TAX DEPARTMENT**  
**COMPUTERIZED PAYMENT RECEIPT ( CPR - IT )**

BP Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

**CPR No : IT-20230328-0101-2401284**

Payment Date : 28-Mar-2023

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTU : LTO LAHORE

Nature of Payment : Advance Income Tax

Tax Period : 2023

Account Head(NAM) : B01105

Details of Tax Payer

NTN / CNIC : 3041094-7 / 0038810

Status : CO

Taxpayer/Business :

Name &amp; Address : LAHORE ELECTRIC SUPPLY COMPANY LIMITED , 22-A QUEENS ROAD

Tax Amount : 500,000,000

Amount of Tax in Words : Five Hundred Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	500,000,000	28-Mar-2023		



IT-20230328-0101-2401284

FBR ADC 0101

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Signature & Stamp of Manager / Authorized officer

**INCOME TAX DEPARTMENT****COMPUTERIZED PAYMENT RECEIPT ( CPR - IT )**

SBP Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

**CPR No** : IT-20230926-0101-2166772**Payment Date** : 26-Sep-2023**Payment Section** : 147 - Advance Income Tax - 9202**RTO/LTU** : LTO LAHORE**Nature of Payment** : Advance Income Tax**Tax Period** : 2024**Account Head(NAM)** : B01105**Details of Tax Payer****NTN / CNIC** : 3041094-7 / 0038810**Status** : CO**Taxpayer/Business** :**Name & Address** : LAHORE ELECTRIC SUPPLY COMPANY LIMITED , 22-A QUEENS ROAD**Tax Amount** : 1,800,000,000**Amount of Tax in Words** : One Billion Eight Hundred Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	1,800,000,000	26-Sep-2023		

FBR ADC 0101



IT-20230926-0101-2166772

Signature &amp; Stamp of Manager / Authorized officer

INCOME TAX DEPARTMENT  
COMPUTERIZED PAYMENT RECEIPT ( CPR - IT )

SBP Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

CPR No : IT-20231227-0101-1633946

Payment Date : 27-Dec-2023

Payment Section : 147 - Advance Income Tax - 0202

RTO/LTU : LTO LAHORE

Nature of Payment : Advance Income Tax

Tax Period : 2024

Account Head(NAM) : B01105

Details of Tax Payer

NTN / CNIC : 3041094-7 / 0038810

Status : CO

Taxpayer/Business :

Name & Address : LAHORE ELECTRIC SUPPLY COMPANY LIMITED , 22-A QUEENS ROAD

Tax Amount : 2,500,000,000

Amount of Tax in Words : Two Billion Five Hundred Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	2,500,000,000	27-Dec-2023		



IT-20231227-0101-1633946

FBR ADC 0101

Signature & Stamp of Manager / Authorized officer

**PYA-Fuel cost Adjustment for Nov-2019 to Jun-2020**

It is apprised that the Fuel Charges Adjustments for the month Nov 2019 to Jun 2020 of XW-DISCOS which were determined and notified by Authority vide SRO No.700(I)/2020 dated Aug 07, 2020 the said FCA was to be charged in two months i.e. Aug 2020 and Sep 2020. However, the said FCAs have not been charged to consumers so far. The financial impact of FCAs of above mentioned months is as below.

Rs. Mln.		
FCA Month	Billing Month	Financial Impact
Jan-20 to Mar 20 & May 2020	Aug 2020	1,886/-
Nov 2019, Dec 2019, Apr 2020 & Jun 2020	Sep 2020	2,167/-
<b>Total</b>		<b>4,053/-</b>

In this regard, it is worth mentioning here that The Ministry of Energy (Power Division) has also forwarded the decision of ECC to Authority vide Letter Dated Dec 2021 (copy attached) pertaining to FCAs of above said months to allow recovery of pending FCAs from consumers as Prior Year Adjustments or allow LESCO to charge its consumers as appropriate to reduce circular debt of power sector.



P.No. Tariff/XWDISCO's-2018-19 (P.F)  
Government of Pakistan  
Ministry of Energy  
(Power Division)  
\*\*\*\*

Most Immediate

Islamabad, the June 01, 2023

Managing Director  
PPMC, Islamabad

Subject: DECISION OF THE AUTHORITY IN THE MATTER OF FUEL CHARGES  
ADJUSTMENT FOR THE MONTH'S OF NOVEMBER 2019 TO JUNE 2020  
FOR XWDISCOS ALONG WITH NOTIFICATION THEREOF.

In continuation of this office letter of even No dated March 31, 2023 and followed by Reminders of dated April 13, 2023 and 09 May, 2023 on the subject cited above (copies enclosed).


2. I am directed to state that the reply on the matter is still awaited, however CPPA-G meanwhile has communicated to Power Division vide its letter No 5197-98 dated April 10<sup>th</sup>, 2023 that "the amount of subject fuel charges adjustment (FCA) for November 2019 to June 2020 may be claimed by DISCOs as prior year adjustment in their instant tariff petition submission to NEPRA".

3. PPMC is hereby requested to take up the matter with all DISCOs and decision thereto may be communicated to Power Division at the earliest.

  
(Syed Mateen Ahmed)  
Addl. Dir/SO (Tariff)

C.c

1. PS to Joint Secretary (T&S), Ministry of Energy, Power Division.
2. PS to Joint Secretary (PF), Ministry of Energy, Power Division.

  
60 (T&S)

**Lahore Electric Supply Company Limited**  
**RORB Calculation**

	Rs. Mln.		
Description	2022-23	2023-24	2024-25
	Provisional	Projected	Projected
Gross Fixed Assets in Operation - Opening Bal	139,301	156,404	174,122
Addition in Fixed Assets	17,103	17718	16254.177
Gross Fixed Assets in Operation - Closing Bal	156,404	174,122	190,376
Less: Accumulated Depreciation	53,520	59,569	66,215
Net Fixed Assets in Operation	102,884	114,554	124,161
Add: Capital Work In Progress - Closing Bal	18,558	20,395	20726
Investment in Fixed Assets	121,442	134,948	144,887
Less: Deferred Credits	46,555	52,766	59,806
Regulatory Assets Base	74,887	82,182	85,081
Average Regulatory Assets Base	70,537	78,534	83,632
Rate of Return	21.18%	21.18%	21.18%
Return on Rate Base	14,940	16,634	17,713
Distribution (93.1%)	13,909	15,486	16,491
Supply (6.9% )	1,031	1,148	1,222
<b>Total</b>	<b>14,940</b>	<b>16,634</b>	<b>17,713</b>