

National Electric Power Regulatory Authority
NEPRA

Subject: **HEARING IN THE MATTER OF FIVE YEARS DISTRIBUTION INVESTMENT PLAN (DIP) SUBMITTED BY SUKKUR ELECTRIC POWER COMPANY (SEPCO)**

Following issues have been framed for public hearing of SEPCO in the matter of Five Years Distribution Investment Plan.

1. Whether the energy (GWh) and power (MW) demand forecasts are justified? SEPCO to provide the consumer category wise peak demand (MW) and energy (GWh) growth projections and associated growth rate considered during the period of FY 2025-26 to FY 2029-30? Whether the transmission and distribution investments are aligned with IGCEP and TSEP?
2. SEPCO is required to justify the under-utilization of allowed investments head-wise/project-wise in the previous DIP FY 2020-21 to FY 2024-25? What are the impacts of utilized investment on performance targets in terms of T&D losses, recovery, SAIFI, SAIDI, Voltage Profile, Safety, etc?
3. Whether the financing arrangements to undertake the proposed DIP of PKR 51,839 million are available with SEPCO? Has the company explored and identified alternative commercial financing avenues as a contingency plan in case internal resources and public sector funding are unavailable?
4. Whether the claimed cost of PKR 23,875 million under the head of STG is justified? Whether the PC-I of STG projects have been approved by relevant forums? What are SEPCO's plans for removal of the existing transmission network constraints?
5. Whether the claimed cost of PKR 6,700 million for expansion of common distribution system (DOP) and PKR 4,740 million for rehabilitation of common distribution system (ELR) is justified? What will be the HT and LT ratios after implementation of distribution investments and its impact on performance of SEPCO?
6. Whether the claimed cost of PKR 2,611 million under the head of Asset Performance Management System (APMS) is justified? Whether, the PC-I of the APMS project is approved by Planning Commission?
7. SEPCO to justify its investments claimed for technological interventions such as GIS mapping and SCADA feasibility.
8. What are the SEPCO's plans for increasing the number of transformer repair workshops at the circle level?
9. Whether the claimed cost of PKR 2,500 million under the head of HSE and functional improvement plans (T&P, operational vehicles, earthing, removal of safety hazards, etc) is justified? What is the basis for treating the cost of earthing in DIP and not in O&M and R&M head in tariff petition?
10. Whether the claimed cost of PKR 7,436 million under the head of commercial improvement plan (AMR meters, model sub division, customer care centers, etc) is justified?

11. SEPCO to justify its investments claimed for civil works (new offices & buildings), financial improvement plans (IT, ERP, cyber security, software licenses, etc), HR improvement plan, communication improvement plans, etc.
12. Whether the T&D losses target ranging from 27.14% for FY 2025-26 to 16.31% for FY 2029-30 is justified? Why has the third-party study regarding T&D losses not been conducted as yet? How will the study's findings be integrated into the targets outlined in this DIP?
13. What mechanism will be employed to reconcile the cost of capital expenditures (CAPEX), including Return on Regulatory Base (RoRB) and depreciation, with allowed investments in tariff, considering interest costs for under-invested CAPEX in a particular year?
14. Any other Issue(s) that may come up during hearing