



# FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED

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OFFICE OF THE  
CHIEF EXECUTIVE OFFICER  
FESCO FAISALABAD

No 1007 /FESCO/

Dated 26 / 02 / 2025

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


Subject: **REQUEST FOR ANNUAL ADJUSTMENT/INDEXATION FOR FY 2025-26 ALONGWITH PRIOR YEAR ADJUSTMENT (PYA) IN RESPECT OF DISTRIBUTION AND SUPPLY TARIFF OF FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED (FESCO).**

NEPRA in its determination dated March 14, 2024 (referred Para 29.4 & 23.4 of Distribution & Supply Tariffs respectively) directed that annual indexation/ adjustment during MYT control period will be filed by FESCO in February every year, so that adjustment/ indexation for the next year is determined in a timely manner.

In view of foregoing, FESCO is hereby submitting its Annual Adjustment/Indexation of Distribution Margin (DM) for the FY 2025-26 along with left over Prior Year Adjustments (PYA).

DA/AA

i. Adjustment/Indexation

  
Engr. Muhammad Aamer  
Chief Executive Officer

For information & n.a. please.

• DG (Tariff)

Copy to:

• DG ( )

• MF

CC: Chairman

- M (Tariff)



TARIFF (DEPARTMENT)

Dir (T-I)..... Dir (T-II).....

Dir (T-III)..... Dir (T-IV).....

Dir (T-V)..... Addl. Dir (RE).....

Date 4-3-25

REGISTRAR OFFICE  
Diary No: 2454  
Date: 3.3.25

Tariff Division Registered  
967  
4-3-25

# **Faisalabad Electric Supply Company Ltd.**



**Annual Adjustment/Indexation of  
Distribution/Supply Margin (D/SM) For FY 2025-26  
&  
Prior Year Adjustment (PYA) Till 2023-24  
Under Multi Year Tariff (MYT) Regime**

**February 26, 2025**

**FESCO HEAD QUARTER  
WEST CANAL ROAD, ABDULLAH PUR, FAISAL**

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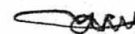
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## **1 Applicant:**

- 1.1 Faisalabad Electricity Supply Company Limited (FESCO) is an ex-WAPDA Distribution Company (DISCO) owned by the Government of Pakistan (GOP) and incorporated as a Public Limited Company on March 21, 1998 vide company registration No. L09460 of 1997-98 under section 32 of the then Companies Ordinance 1984 (now Companies Act, 2017).
- 1.2 Principal business of FESCO is to provide electricity to the consumers of Civil Districts of Faisalabad, Chiniot, Jhang, Toba Tek Singh, Bhakkar, Sargodha, Khushab and Mianwali in the province of Punjab under Distribution License No. DL/02/2023 granted by NEPRA (the Distribution Licensee).
- 1.3 Authority under Section 20 and 21 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, as amended from time to time, granted Distribution License No. DL/02/2023 dated May 09, 2023 to FESCO for a term of twenty (20) years from the date of its issuance to engage in the distribution of electric power to the consumers in its Service Territory on a non-exclusive basis subject to and in accordance with the terms and conditions of the License.
- 1.4 Authority under Sections-23 E and 23 F of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 as amended from time to time granted Electric Power Supply License No. SOLR/02/2023 dated December 27, 2023 for a term of twenty (20) years commencing from April 27, 2023, up to April 26, 2043 to engage in electric power supply business as Supplier of Last Resort (SoLR) subject to and in accordance with the terms and conditions of the license.

## **2 Background:**

- 2.1 FESCO filed its Distribution and Supply Tariff Petitions vide letter No. 6555-56 & No. 6557-58 dated 17.05.2023 respectively for 05 years tariff control period from FY 2023-24 to FY 2027-28 under Multi Year Tariff (MYT) Regime.
- 2.2 NEPRA determined FESCO Distribution & Supply Business Tariffs for 05 years tariff control period from FY 2023-24 to FY 2027-28 under Multi Year Tariff (MYT) Regime vide No. NEPRA/R/ADG(Tariff)/TRF-606/2454-58 & No. NEPRA/R/ADG(Tariff)/TRF 605/2448-52 dated 14.03.2024 respectively.



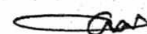


- 2.3 NEPRA in its determination dated March 14, 2024 (referred Para 29.4 & 23.4 of Distribution & Supply Tariffs respectively) directed that annual indexation/ adjustment during MYT control period will be filed by FESCO in February every year, so that adjustment/ indexation for the next year is determined in a timely manner. The instant adjustment /indexation is being filed accordingly.
- 2.4 According to NEPRA guidelines for determination of consumer end tariff (Methodology and Process), 2015 notified vide SRO 34(1)/2015 on January 16<sup>th</sup>, 2015, Para 29.4 of tariff determination of Distribution Business & Para 23.4 of tariff determination of Supply Business dated March 14, 2024 under Multi-Year Tariff (MYT) Regime, the following adjustments/indexations are hereby submitted with all supporting documents for consideration of Authority.
- 2.5 Adjustment/Indexation of Distribution/Supply Margin (D/SM) for the FY 2025-26
- 2.6 Prior Year Adjustment (PYA)

### 3 Distribution/Supply Margin (D/SM)

- 3.1 Summary of projected DM for the FY 2025-26 with breakup into Distribution and Supply of Electric Power functions is given below;

Distribution/ Supply Margin Component	(Table-01)			(PKR Millions)		
	2024-25			2025-26		
	Determined			Adjusted / Indexed		
	DoP	SoP	Total	DoP	SoP	Total
Operating & Maintenance (O&M) Cost	30,013	8,312	38,325	33,948	10,092	44,044
Return on Regulatory Asset Base (RORB)	16,320	-	16,320	20,862	-	20,862
Depreciation Expense	6,249	-	6,249	6,839	-	6,839
Gross Distribution Margin	52,582	8,312	60,894	61,649	10,092	71,741
Less: Other Income	(6,457)	-	(6,457)	(7,553)	-	(7,553)
Net Distribution Margin	46,125	8,312	54,437	54,096	10,092	64,188
Unit Sold	15,180	15,180	15,180	14,984	14,984	14,984
Rs. /kWh	3.04	0.55	3.59	3.61	0.67	4.28



### **3.2 Operation & Maintenance (O&M) Cost:**

The cost components of Operation & Maintenance (O&M) are elaborated below;

#### **3.2.1 Salaries, Wages and Other Benefits:** Regarding Salaries, Wages and other Benefits the notified MYT decision of NEPRA provides following mechanism for adjustment (Referred Para 21.1 of the decision in the case of FESCO Distribution Tariff and Para 18.1 of Supply Tariff)

“Considering the fact that employees of XWDISCOs are hired on Government pay scales, and any salary increase announced by the Federal Government in the Federal Budget is applicable on the employees of the Petitioner, therefore, being un-controllable cost, the Salaries & Wages and benefits, would be actualized, based on the audited accounts of the Petitioner for the relevant year for its existing employees. The impact of any such adjustment would be allowed as part of PYA in the next indexation/ adjustment request or tariff determination as the case may be.

#### **3.2.2** Accordingly the Salaries, Wages and Other Benefits have been worked out as Rs.19,463 million after incorporating impact of estimated 25% Adhoc Relief Allowance by the Federal Government in the budget of FY 2025-26 plus 5% impact of annual increment for the FY 2025-26 over the reference /base cost of Rs.16,586 for both functions (referred Para 4.29 of Adjustment/ Indexation for FY 2024-25 dated June 14,2024).

#### **3.2.3 Post Retirement Benefits:** Regarding Post Retirement Benefits the notified MYT decision of NEPRA provides following mechanism for adjustment (Referred Para 21.2 of the decision in the case of FESCO Distribution Tariff and Para 18.2 of Supply Tariff).

“Considering the fact that the Petitioner is obligated to pay to its pensioners, the pension increases announced by the Federal Government, therefore, being an un-controllable cost, Post-retirement Benefits would be actualized based on the audited accounts of the Petitioner for the relevant year. The impact of any such adjustment would be allowed as part of PYA in the next indexation/ adjustment request or tariff determination as the case may be”.



3.2.4 Further the Authority in Para 4.34 of the Annual Adjustment for the FY 2024-25 provided that "Regarding assessment of post-retirement benefits for the FY 2024-25, the determination provides that it would be allowed based on the actuarial valuation report for the year for which assessment is being made or as per the latest available audited financial statements. As per the latest audited financial statements of the Petitioner i.e. for the FY 2022-23, the provision for post-retirement benefits is Rs.16,540 million. The same is being allowed to the Petitioner for the FY 2024-25, for both the distribution and supply of power functions.

3.2.5 In line with the above, the **Post Retirement Benefits** have been taken Rs.20,345 million as per the latest audited Financial Statements for FY 2023-24 (**Annex-A**).

3.2.6 According to mechanism given in Para 20.7, 20.8 of Authority determination in the matter of MYT Petition of FESCO for Distribution Tariff and Para 17.7 of determination in the matter of MYT Petition for Supply Tariff under the MYT Regime for tariff control period from FY 2023-24 to FY 2027-28, the O&M cost which is part of FESCO's Distribution/Supply Margin (D/SM) shall be indexed with Consumer Price Index (CPI) subject to adjustment for efficiency gains (X factor). Accordingly, the O&M cost will be indexed every year according to the following formula:-

$$O\&M_{(Rev)} = O\&M_{(Ref)} \times [1 + (\Delta NCPI - X)]$$

Where;

$O\&M_{(Rev)}$  = Revised O&M expense for the Current Year

$O\&M_{(Ref)}$  = Reference O&M expense for the Ref Year

$\Delta NCPI$  = Change in NCPI published by Pakistan Bureau of Statistics for the month of December for the respective year.

X = Efficiency factor i.e. 30% of NCPI relevant for purpose of indexation

3.2.7 Accordingly the **Other O&M Cost including R & M**, has been worked out as Rs.5,347 after giving an increase equal to change in NCPI i.e. 04.07% for the month of December, 2024 over December 2023 in the base/reference cost i.e. Rs.5,199 Million. Efficiency factor i.e. 30% of NCPI (4.07%) also applied.

3.2.8 After taking into account the above, the adjusted Salaries, Wages & Other Benefits, Post Retirement Benefits and Other O&M Cost including Repair & Maintenance for the FY 2025-26 for Distribution and Supply is given as under:



A/c Head	(Table-02)			(PKR Millions)		
	Determined Cost 2024-25			Adjusted/Indexed 2025-26		
	DoP	SoP	Total	Dist	Supply	Total
Salaries, wages & other benefits	13,732	2,854	16,586	15,192	3,157	18,349
Post-Retirement Benefits	12,681	3,859	16,540	15,055	5,290	20,345
Repair & Maintenance	1,209	65	1,274	1,242	67	1,309
Other O&M	2,391	1,534	3,925	2,459	1,578	4,037
Total O&M Cost	30,013	8,312	38,325	33,948	10,092	44,040

Working attached as (Annex-B)

### 3.3 Return on Rate Base (RORB) Adjustment:

3.3.1 According to Para 22.1 of Authority determination in the matter of MYT Petition of FESCO for Distribution Tariff, the RORB assessment will be made in accordance with the following formula/mechanism:

$$RORB_{(Rev)} = RORB_{(Ref)} * RAB_{(Rev)} / RAB_{(Ref)}$$

Where:

$RORB_{(Rev)}$  = Revised Return on Rate Base for the Current Year

$RORB_{(Ref)}$  = Reference Return on Rate Base for the Reference Year

$RAB_{(Rev)}$  = Revised Rate Base for the Current Year

$RAB_{(Ref)}$  = Reference Rate Base for the Reference Year

3.3.2 Projected RoRB for FY 2025-26 based on allowed investment of Rs.26,326 Million is:-

$$RORB_{(Rev)} = RORB_{(RefAdj.)} * RAB_{(Rev)} / RAB_{(Ref)}$$

$$RORB_{(Rev)} = 16,320 * 98,524 / 77,072 = 20,862 \text{ million}$$

The supporting calculations for RAB and RORB are given below:-

Description	(Table-03)		(PKR Millions)	
	2024-25	2025-26		
	Act./Prov	Adjusted		
		(Distribution)		
Gross Fixed Assets in Operation – Op. Balance	140,562	157,583		
Add: Addition/Transfer in Fixed Assets (Net)	17,021	21,988		
Fixed Assets in Operation – Closing Balance	157,583	179,571		
Less: Accumulated Depreciation	(50,758)	(56,867)		
Net Fixed Assets in Operation	106,825	122,704		
Add: Assets under Construction (AUC) Cl. Balance	39,111	40,752		
Total Fixed Assets	145,936	163,456		
Less: Deferred Credits	52,879	59,465		
Regulatory Assets Base	93,057	103,991		
Average Regulatory Assets Base (RAB)	86,937	98,524		
WACC	21.18%	21.18%		
RORB = RAB * WACC	18,409	20,862		



### 3.4 Depreciation:

3.4.1 According to Para 23.1 of Authority determination in the matter of MYT Petition of FESCO for Distribution Tariff, Depreciation expense for future years will be assessed in accordance with the following formula/mechanism:

$$\text{DEP(Rev)} = \text{DEP(Ref)} * \text{GFAIO(Rev)} / \text{GFAIO(Ref)}$$

Where:

DEP(Rev) = Revised Depreciation Expense for the Current Year

DEP(Ref) = Reference Depreciation Expense for the Reference Year

GFAIO(Rev) = Revised Gross Fixed Assets in Operation for the Current Year

GFAIO(Ref) = Reference Gross Fixed Assets in Operation for the Reference Year

3.4.2 Projected Depreciation for FY 2025-26 based on allowed investment of Rs.26,326 Million is given below:-

$$\text{DEP(Rev)} = \text{DEP(Ref)} * \text{GFAIO(Rev)} / \text{GFAIO(Ref)}$$

$$\text{DEP(Rev)} = 6,249 * 179,571 / 164,070 = 6,839 \text{ Million}$$

3.4.3 The supporting calculations is as under;

(Table-04)		(PKR Millions)
Description	2024-25	2025-26
	Act/Prov	Adjusted (Distribution)
Gross Fixed Assets in Operation (GFAIO) – Opening Balance	140,562	157,583
Add: Addition/Transfer/Deletion in Fixed Assets (Net)	17,021	21,988
Fixed Assets in Operation – Closing Balance	157,583	179,571
Less; Value of Land	1,156	1,156
GFAIO excluding Land	156,427	178,415
Depreciation Expense	6,002	6,839

### 3.5 Other Income:

3.5.1 According to mechanism given in Para 24.1 of Authority determination in the matter of MYT Petition of FESCO for Distribution Tariff and Para 19.1 of determination in the matter of MYT Petition for Supply Tariff under the MYT Regime for tariff control period from FY 2023-24 to FY 2027-28.

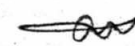
3.5.2 Other Income for the FY 2025-26 as per above mechanism is assessed as under;

$$\text{OI}_{(\text{Rev})} = \text{OI(Allowed Previous year)} - [\text{OI(Allowed Previous year)} - \text{OI (Actual previous year)}]$$

$$\text{OI (Rev)} = 6,457 - [6,457 - 7,553]$$

$$\text{OI (Rev)} = 6,457 + 1,096$$

$$\text{OI (Rev)} = 7,553 \text{ Million}$$



#### 4 Prior Year Adjustment (PYA) Till FY 2023-24:

##### 4.1 Un-Recovered Dist./Supply Margin (D/SM) For FY 2023-24

- 4.1.1 Authority allowed Distribution Margin (DM) of Rs.52,385 Million for the FY 2023-24 vide decision No.NEPRA/ADG(Tariff)/TRF-605/2448-52 & No.NEPRA/ADG (Tariff)/TRF-606/2454-58 dated March 14,2024. The Distribution Margin (DM) recovered for the FY-2023-24 was Rs.38,207 Million (**Annex-C**) based on notified tariff vide SRO No.941 (1)/2023 dated July 26, 2023 after excluding the impact of incremental units sold to Industrial Consumer at flat rate of Rs.12.96/kWh. The DM less recovered is Rs.14,178 million (difference of amount allowed and recovered) as given below:-

(Table-06)

Description	PKR Millions
Allowed by Authority	52,385
Recovered by FESCO	38,207
Less Recovered DM for FY 2023-24	14,178

- 4.1.2 Authority is requested to allow Rs.14,178 Million in the Prior Year Adjustment (PYA) of the FY 2023-24.

##### 4.2 Minimum Tax Paid during FY 2023-24:

- 4.2.1 As per MYT determination dated December 31, 2015 (Para 26.21 to 26.23) FESCO has been allowed a post-tax cost of debt and any tax paid by the company shall be passed on to the consumers on actual basis as prior year adjustment after submission of documentary proof to NEPRA. FESCO paid minimum tax of Rs.5,281 Million for the FY 2023-24 as given hereunder:-

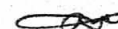
(Table-07)

(PKR Millions)

CPR No.	Date	Tax Paid
IT20230922-0101-1991065	29-09-2023	1,500
IT20231220-0101-1474912	20-12-2023	900
IT20231230-0101-1798985	30-12-2023	621
IT20240329-0101-1966610	29-03-2024	950
IT20240527-0101-1791934	27-05-2024	108
IT20240528-0101-1792813	28-05-2024	2
IT20240613-0101-1392375	13-06-2024	100
IT20240624-0101-1647189	24-06-2024	1100
Total		5,281

(Copies of CPRs attached as **Annex-D**)

- 4.2.2 Authority is requested to allow Rs.5,281 Million in the Prior Year Adjustment (PYA) of the FY 2023-24.





### 4.3 Consumer Mix Variance:

4.3.1 Authority in the matter of Annual Adjustment/indexation for the FY 2024-25 dated June 14, 2024 directed FESCO to provide reconciled data of sales mix with its reported revenue as per audited financial statement of the respective year. In compliance, the reconciled data of Sales Mix with revenue reported in the audited Financial Statement for FY 2020-21 to FY 2023-24 is attached (**Annex-E**). FESCO also provided consumer mix variance for the FY 2021-22, 2022-23 & 2023-24 vide letter No.905 dated 20.01.2025 (**Annex-F**). Summary of consumer mix variance is as under:-

(Table-08)

Year	PKR Millions
2020-21	1,348
2021-22	5,880
2022-23	1,268
2023-24	698
Total	9,194

4.3.2 Authority is requested to allow Rs.9,194 Million in the Prior Year Adjustment (PYA) of FY 2023-24.

### 4.4 Less Recovery of Quarterly Tariff Adjustments:

4.4.1 Authority allowed Rs.51,359 Million for the 4<sup>th</sup> Quarter of FY 2022-23, 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> quarter of FY 2023-24. FESCO passed on an amount of Rs.46,888 million. Due to reduction in Sales than determined by NEPRA an amount of Rs.4,484 million not passed on to consumers as per detail given below:-

(Table-09)

(PKR Millions)

Description	Determined	Billed	Variance	Time Period
4 <sup>th</sup> Qtr FY 2022-23	22,022	19,905	2,117	Oct-2023 to Mar-2024
1st Qtr FY 2023-24	4,716	5,365	(649)	Jan-2024 to Mar-2024
2nd Qtr FY 2023-24	10,857	9,918	939	Apr-2024 to June-2024
3rd Qtr FY 2023-24	9,090	7,573	1,517	June-2024 to Aug-2024
4th Qtr FY 2023-24	4,674	4,115	559	Sep-2024 to Nov-2024
Total	51,359	46,888	4,484	

(Working attached as Annex-G)

4.4.2 Authority is requested to allow Rs.4,484 Million in the Prior Year Adjustment (PYA) of FY 2023-24.



#### 4.5 Excess Supplemental Charges:

4.5.1 Central Power Purchasing Agency Guarantee (CPPA-G) Limited billed Supplemental Charges of Rs.8,722 Million to FESCO on account of late Payments to IPPs/Power Generators during FY 2023-24.

4.5.2 The Late Payment Surcharge (LPS) collected by FESCO from consumers during the said year remained Rs.5,729 Million. Thus, CPPA-G billed excess amount of Rs.2,993 Million than the LPS collected by FESCO. Month wise invoices raised by CPPA-G are given below;

(Table-10)

Sr #	Invoice No.	Period	PKR Millions
1	LPS/Jul-23/FESCO	07-2023	1,258
2	LPS/Aug-23/FESCO	08-2023	1,279
3	LPS/Sep-23/FESCO	09-2023	389
4	LPS/Oct-23/FESCO	10-2023	719
5	LPS/Nov-23/FESCO	11-2023	744
6	LPS/Dec-23/FESCO	12-2023	415
7	LPS/Jan-24/FESCO	01-2024	588
8	LPS/Feb-24/FESCO	02-2024	1,030
9	LPS/Mar-24/FESCO	03-2024	559
10	LPS/Apr-24/FESCO	04-2024	611
11	LPS/May-24/FESCO	05-2024	445
12	LPS/June-24/FESCO	06-2024	685
<b>Total</b>			<b>8,722</b>
<b>Less; LPS Collected during FY 2023-24</b>			<b>5,729</b>
<b>Suppl. Charges (Billed by CPPA-G) in excess of LPS</b>			<b>2,993</b>

(Copies of invoices attached as **Annex-H**)

4.5.3 The Authority is requested to allow Rs.2,993 Million in the Prior Year Adjustment (PYA) of FY 2023-24.



#### 4.6 Depreciation for FY 2023-24:

- 4.6.1 Authority allowed Depreciation of Rs.5,459 Million for FY 2023-24 vide decision No. NEPRA/ADG (Tariff)/TRF-606/2454-58 dated March 14,2024. As per FESCO audited financial statement for FY 2023-24, the actual gross Depreciation (Original Cost Basis) for FY 2023-24 is Rs.4,844 Million. The allowed depreciation was higher than the actual depreciation by Rs.615 Million (difference of amount allowed & actual) as given below;

(Table-11)

Description	PKR Millions
Allowed by Authority	5,459
Actual Depreciation	4,844
Excess Allowed Depreciation for FY 2023-24	615

(Working attached as Annex-I)

- 4.6.2 Authority is requested to adjust Rs.615 Million in the Prior Year Adjustment (PYA) of FY 2023-24.

#### 4.7 Other Income for FY 2023-24:

- 4.7.1 Authority allowed Other Income of Rs.3,718 Million for FY 2023-24 vide decision No. NEPRA/ADG(Tariff)/TRF-606/2454-58 dated March 14,2024. As per FESCO audited financial statement for FY 2023-24, the actual Other Income earned for the FY 2023-24 is Rs.9,504 Million. Thus FESCO earned an extra Other Income of Rs.5,786 Million (difference of amount allowed and actual) than allowed by Authority for FY 2023-24. Detailed is given as under:-

(Table-12)

Description	PKR Millions
Allowed by Authority	3,718
Actual Other Income	9,504
Excess Other Income earned for FY 2023-24	5,786

- 4.7.2 Authority is requested to adjust Rs.5,786 Million in the Prior Year Adjustment (PYA) of FY 2023-24 earned above the allowed/determined.



#### 4.8 Less Allowed Post-Retirement Benefits (PRB) for FY 2023-24:

- 4.8.1 Authority allowed Post-Retirement Benefits of Rs.17,380 Million for the FY 2023-24 vide decision No.NEPA/ADG(Tariff)/TRF-605/2448-52 & No.NEPA/ADG (Tariff)/TRF-606/2454-58 dated March 14,2024. NEPA in its decision dated March 14, 2024 (referred para 14.10) decided that being an un-controllable cost, Post Retirement Benefits would be actualized based on the audited accounts of the Petitioner for the relevant year. As per FESCO audited financial statement, the provision for Post Retirement Benefits for the FY 2023-24 is Rs.20,345 Million (relevant page of FS attached (**Annex-J**). Post-Retirement Benefits (PRB) of Rs.2,965 Million (difference of amount allowed and provision) less allowed by authority for FY 2023-24 as detailed below;

(Table-13)

Description	PKR Millions
Allowed by Authority	17,380
Actual PRB	20,345
Less Allowed PRB for FY 2023-24	2,965

- 4.8.2 Authority is requested to allow the Post Retirement Benefits (PRB) of Rs.2,965 Million in the Prior Year Adjustment (PYA) of FY 2023-24.

#### 4.9 Actuarial Loss Charged to OCI for FY 2023-24:

- 4.9.1 Actuarial loss of Rs.7,302 Million for the FY 2023-24 charged to Other Comprehensive Income (OCI) as a result of re-measurement of Post-Retirement Benefits Obligations of FESCO employees (relevant pages of FS & actuary attached (**Annex-K**). Breakup of which is given below;

(Table-14)				(PKR Millions)
Pension	Free Supply	Leave Encashment	Free Medical	Total
(50)	6,198	-	1,154	7,302

- 4.9.2 Authority is requested to allow the Post-Retirement Benefits of Rs.7,302 Million in the Prior Year Adjustment (PYA) of FY 2023-24.





#### **4.10 Actuarial Loss Charged to OCI for FY 2022-23:**

**4.10.1** FESCO in the Annual Adjustment/Indexation for FY 2022-23 filed with NEPRA vide letter No.2030-31 dated 28-03-2024 has requested authority to allow actuarial loss of Rs.5,008 Million for FY 2022-23 in the prior year adjustment. Authority in its decision dated June 14, 2024 (referred para 5.20) stated that Authority may consider this request of the petitioner going forward, keeping in view the pension obligation of the petitioner, amount deposited in the Fund and quantum of future tariff increases. Considering the increase in tariff for the FY 2024-25, owing to rebasing and annual indexation/adjustment of XWDISCOs Distribution/Supply Margin for the FY 2024-25, the Authority has decided not to allow this amount in the instant adjustment request.

**4.10.2** Authority is requested to allow Rs.5,008 Million actuarial loss charged to OCI for FY 2022-23 in the PYA of FY 2023-24.

#### **4.11 True up of RoRB for FY 2023-24:**


**4.11.1** Authority allowed RoRB of Rs.13,910 Million for FY 2023-24 based on allowed investment in the Distribution Integrated Investment Plan (DIIP). Authority in the MYT Tariff determination for the Tariff control period FY-2023-24 to FY 2027-28 also prescribed adjustment mechanism wherein KIBOR to be adjusted bi-annually. Resultantly RoRB for FY 2023-24 trued up by taking 03 months KIBOR of July 2023 & January 2024 respectively based on actual investment of FY 2023-24. Actual RoRB for FY 2023-24 comes to Rs.15,902 Million. Hence RoRB for FY 2023-24 less allowed by authority to the extent of Rs.1,992 Million as given below;

(Table-15)

Description	PKR Millions
Allowed by Authority	13,910
Revised RoRB for FY 2023-24	15,902
Less Allowed RoRB for FY 2023-24	1,992

(Working attached at Annex-L)

**4.11.2** Authority is requested to allow Rs.1,992 Million in the Prior Year Adjustment (PYA) of FY 2023-24.



#### 4.12 True up of RoRB for FY 2021-22:

4.12.1 Authority trued up RoRB for FY 2021-22 in determination of Distribution Tariff under MYT Regime for FY 2023-24 to FY 2027-28 in its decision dated March 14, 2024 (referred para 25.15) as under:-

(Table-16)

Description	PKR Millions
Gross Fixed Assets in Operation – Op. Balance	96,438
Add: Addition/Transfer in Fixed Assets (Net)	15,800
Fixed Assets in Operation – Closing Balance	112,237
Less: Accumulated Depreciation	(37,330)
Net Fixed Assets in Operation	74,907
Add: Assets Under Construction(AUC) – Cl. Balance	18,233
Total Fixed Assets	93,140
Less: Finance Cost Capitalization	577
Less: Deferred Credits	47,274
Regulatory Assets Base	45,289
Average Regulatory Assets Base (RAB)	42,107
WACC	13.22%
RORB = RAB * WACC	5,605

4.12.2 As per FESCO Audited Financial Statement for FY 2021-22, deferred credit is Rs.35,194 Million whereas Authority has taken deferred credit as Rs.47,274 Million. Resultantly Authority has taken excess deferred credit of Rs.12,080 Million.

4.12.3 Based on FESCO audited Financial Statements for FY 2021-22 the actual RoRB for FY 2021-22 is as under:-

(Table-20)

Description	PKR Million
Gross Fixed Assets in Operation – Op. Balance	96,438
Add: Addition/Transfer in Fixed Assets (Net)	15,800
Fixed Assets in Operation – Closing Balance	112,237
Less: Accumulated Depreciation	(37,330)
Net Fixed Assets in Operation	74,907
Add: Assets Under Construction(AUC) – Cl. Balance	18,233
Total Fixed Assets	93,140
Less: Finance Cost Capitalization	577
Less: Deferred Credits	35,194
Regulatory Assets Base	57,369
Average Regulatory Assets Base (RAB)	48,147
WACC	13.22%
RORB = RAB * WACC	6,365



4.12.4 Authority is requested to allow Rs.760 Million (difference of already trued up RoRB Rs.5,605 Million and revised RORB Rs.6,365 Million) in the Prior Year Adjustment (PYA) of FY 2023-24.

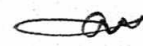
**4.13 Proposal for Revision Regarding Higher Investment than Allowed During MYT Control Period:**

4.13.1 NEPRA allowed an investment/CAPEX of Rs.75.217 Billion for the five years Tariff control period under the category “own source” to be financed through Distribution Margin. Summary is given below;

(Table-21)					(PKR Millions)	
Description	2024	2025	2026	2027	2028	Total
Own Source						
DOP	4,430	3,600	3,505	3,615	4,116	19,265
ELR	3,487	4,561	5,255	4,802	4,711	22,816
STG	6,076	6,774	6,897	8,071	4,903	32,721
ERP	91	70	77	85	93	416
Sub Total	14,084	15,005	15,733	16,573	13,823	75,217

4.13.2 Authority in Para 22.2 of distribution tariff dated march 14, 2024 stated that the allowed RAB for previous year will be trued up downward only, keeping in view the amount of investment allowed for the respective year. In case, the Petitioner ends up making higher investments than the allowed, the same would be the Petitioner's own commercial decision and would not be considered while truing up the RAB.

4.13.3 It is requested that the limitation on making higher investment than allowed should only apply at the end of the five-year MYT period, i.e., in FY 2027-28, rather than on an annual basis. This will ensure for greater financial flexibility in executing multi-year investment plans and that short-term variations in annual investments do not lead to immediate downward adjustments in the RAB.



4.13.4 A five-year assessment aligns with the long-term nature of infrastructure investments and provides a more realistic reflection of capital expenditures.

4.13.5 **Investment by Consumers** : Furthermore, we understand that limitation of making higher investment imposed by NEPRA is also applied to the investments made through “consumer finance” like new connection, deposit work, village electrification & SDGs etc. which are entirely financed by the consumers themselves as approved in the MYT determination from FY 2023-24 to FY 2027-28. Summary is given below:-

(Table-22)					(PKR Millions)	
Description	2024	2025	2026	2027	2028	Total
GoP/Consumer						
Capital Receipt	5,030	5,171	5,747	6,023	6,482	28,452
Deposit Work (STG)	2,018	1,776	1,465	1,074	1,182	7,515
SDGs (SAP)	3,810	4,014	3,381	3,812	3,595	18,611
Total	10,858	10,961	10,593	10,908	11,258	54,578

4.13.6 FESCO has a statutory obligation under Consumer Service Manual to provide electricity connections to all eligible consumers. Since these investments are funded through consumer funds therefore limiting their recognition to the extent of allowed investment is not justified & consistent with the regulatory framework governing consumer rights.

4.13.7 We request that NEPRA consider this proposal & relax it to the extent of actual investment to ensure a fair and balanced approach.

#### 4.14 Proposal for Adjustment of LPS & Supplemental Charges:

4.14.1 Under the current NEPRA tariff regime, Late Payment Surcharge (LPS) earned by FESCO from consumers is adjusted against the Supplemental Charges billed by CPPA-G. If the LPS amount exceeds the Supplemental Charges, the excess is passed back to consumers through tariff adjustments. However, when Supplemental Charges exceed LPS, the additional burden is not allowed for recovery beyond the LPS amount, resulting in a financial strain on the company. Given that these fluctuations vary annually it is proposed that the netting off of LPS and Supplemental Charges be carried out over a five-year Tariff Control Period instead of annually. This approach under the Multi-Year Tariff (MYT) framework would ensure a more equitable adjustment of LPS and Supplemental Charges.



#### **4.15 Less Recovery of Quarterly Adjustments (MLR):**

**4.15.1** FESCO in its review petition filed with NEPRA vide No.25 dated 03.07.2024 and during the hearing requested to adjust the difference of recovered /billed QTA amount as calculated by Authority and FESCO's actual recovered/billed QTA. This primarily arose due to the inclusion of incremental units billed at a flat rate of Rs.12.96 per unit in NEPRA's QTA recovery calculation. Additionally, there was a variance in lifeline units of 265 MWh units considered by NEPRA for QTA recovery compared to the actual units reported by FESCO.

**4.15.2** In its decision, NEPRA directed the reconciliation of units billed to lifeline consumers, domestic consumers (consuming up-to 300 units) and Agriculture consumers for the period FY 2020-21 to FY 2023-24. FESCO has approached PITC vide letter No.FCC/CC&B/PITC/5427 dated 19.02.2025 (**Annex-M**) to provide reconciled data regarding units billed to lifeline consumers, domestic consumers (consuming up-to 300 units) and Agriculture consumers for the period FY 2020-21 to FY 2023-24. Reconciled data will be provided to Authority in due course of time. However, NEPRA overlooked the impact due to inclusion of incremental units for FY 2021-22 as no Quarterly Tariff Adjustment (QTA) was to be charged on the incremental consumption as per Authority SRO No.1292/ dated December 03, 2020 and the subsequent QTA recovery on these units. This aspect was not covered under the relevant Authority decision and SRO.

**4.15.3** In light of the foregoing, the amount calculated by NEPRA as recovered from incremental units stood at Rs.1,191 million for FY 2021-22 which should be allowed in the PYA of the instant indexation. Additionally, Rs.2,758 million should be allowed due to variance in life line units considered by NEPRA for QTA recovery and actual units reported by FESCO.

#### **4.16 Under Assessed Actual Depreciation (MLR):**

**4.16.1** In compliance of Authority's direction in the matter of FESCO Motion for Leave for Review against Determination of Authority regarding Distribution tariff Petition under MYT regime for the period FY 2023-24 to FY 2027-28 dated February 12, 2025, FESCO has also approached Company external Auditors M/s. Riaz Ahmad & Co vide letter No.1002 dated 25.02.2025 (**Annex-N**) to provide a certificate regarding assets and accumulated depreciation retired during FY 2021-22 & 2022-23 on the analogy of Financial Statement ending June 30, 2024. The same will also be provided to Authority as and when is provided by Auditor.



4.16.2 Hence, Authority is requested to allow Rs.886 Million in the Prior Year Adjustment (PYA) of FY 2023-24.

#### 4.17 Summary of PYA for FY 2023-24 into Distribution & Supply:

4.17.1 The breakup of Prior Year Adjustment for the FY 2023-24 into Distribution and Supply of Electric Power after taking into account the preceding para is given below;

(Table-23)		(PKR Millions)	
Description	Dist:	Supply	Total
Un-Recovered DM For FY 2023-24	10,492	3,686	14,178
Minimum Tax Paid during FY 2023-24	-	5,281	5,281
Consumer Mix Variance for FY 2020-24	-	9,194	9,194
Less Recovery of Quarterly Adjustments	-	4,484	4,484
Excess Allowed Depreciation for FY 2023-24	(615)	-	(615)
Excess Earned Other Income for FY 2023-24	(1504)	(4,282)	(5,786)
Less Allowed PRB for FY 2023-24	2,194	771	2,965
Actuarial Loss charged to OCI for FY 2023-24	5,403	1,899	7,302
Actuarial Loss charged to OCI for FY 2022-23	3,706	1,302	5,008
Less Allowed RoRB for FY 2023-24	1,992	-	1,992
Less Allowed RoRB for FY 2021-22	760	-	760
Suppl. Charges (billed by CPPA-G) in excess of LPS for FY 2023-24	2,993	-	2,993
Less Recovery of QTAs (MLR)	-	3,949	3,949
Less Allowed Actual Depreciation (MLR)	886	-	886
<b>Total PYA for FY 2023-24</b>	<b>26,307</b>	<b>26,284</b>	<b>52,591</b>
Projected Unit Sold for FY 2025-26	14,984	14,984	14,984
Rs./kWh	1.76	1.75	3.51

## 5 Power Purchase Price (PPP):

5.1. As per NEPRA Guidelines for determination of consumer end tariff (Methodology and Process) notified vide SRO 34(1)/2015 dated 16.01.2015, CPPA-G has to submit Procurement Plan to NEPRA for approval of Power Purchase Cost. It is also a fact that major component of the consumer-end tariff is the Power Purchase Price (PPP). Therefore, projection of PPP is of utmost importance, as all future monthly fuel charges adjustments as well as quarterly adjustments are worked out based on the projected notified PPP references. CPPA-G (Market Operator) and NEPRA (Power Sector Regulator) can better project the PPP references for the FY 2025-26 keeping in view the ground realities, economic factors and IGCEP etc. for the entire sector.

5.2 However, for the sake of arriving at overall Revenue Requirement of FESCO, the Power Purchase Price (PPP) has been assessed based on actual provisional data for FY 2024-25.

5.3. The T&D Losses has been taken as 8.03% approved by NEPRA in the case of FESCO DIIP for the FY 2025-26. The estimated purchase and sales for the FY 2025-26 would be 16,292 M kWh and 14,984 M kWh given below;

(Table-24)

Description	PKR Millions
Energy Purchase Price (EPP)	159,633
Capacity Purchase Price (CPP)	209,154
UoSC, PMLTC & MoF	20,266
<b>Total</b>	<b>389,053</b>

## 6 Revenue Requirement:

6.1 Based on the information given in the preceding paragraphs the estimated Revenue Requirement (RR) for the FY 2025-26 on projected Sales of 14,984 M kWh is given here under;

(Table-25)

(PKR Millions)

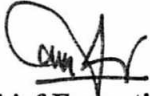
Description	Dist:	Rs. /kWh	Supply	Rs. /kWh	Total	Rs. /kWh
<b>A- Power Purchase Price</b>						
Energy Charges	-	-	159,633	10.65	159,633	10.65
Capacity Charges	-	-	209,154	13.96	209,154	13.96
UoSC & MOF	-	-	20,266	1.35	20,266	1.35
<b>Total PPP</b>	-	-	<b>389,053</b>	<b>25.96</b>	<b>389,053</b>	<b>25.96</b>
<b>B- Dist./ Supply Margin</b>						
O&M Cost	33,948	2.27	10,092	0.67	44,040	2.94
RORB	20,862	1.39	-	-	20,862	1.39
Depreciation	6,839	0.46	-	-	6,839	0.46
<b>Total</b>	<b>61,649</b>	<b>4.11</b>	<b>10,092</b>	<b>0.67</b>	<b>71,741</b>	<b>4.79</b>
<b>C- Other Income</b>	<b>(7,553)</b>	<b>(0.50)</b>	<b>-</b>	<b>-</b>	<b>(7,553)</b>	<b>(0.50)</b>
<b>D- Net Dist./ Supply Margin</b>	<b>54,096</b>	<b>3.61</b>	<b>10,092</b>	<b>0.67</b>	<b>66,188</b>	<b>4.28</b>
<b>E- Prior Year Adj 2023-24</b>	<b>26,307</b>	<b>1.76</b>	<b>26,284</b>	<b>1.75</b>	<b>52,591</b>	<b>3.51</b>
<b>F- Total (A+B+C+D+E)</b>	<b>80,403</b>	<b>5.37</b>	<b>425,430</b>	<b>28.39</b>	<b>505,833</b>	<b>33.76</b>

## **7 Prayer/ Request:**

7.1 The Authority is requested to allow the adjustment/indexation of Distribution/Supply Margin for the FY 2025-26 along with Prior Year Adjustments till FY 2023-24.

Any other appropriate order deems fit by the honourable Authority may also be passed.

With best regards,



**Chief Executive Officer**

**FESCO, Faisalabad**



## 7.1 Movement in the net liabilities recognized in the statement of financial position is as follows:

30 June 2024					
Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total	
-----RUPEES-----					
Balance as at 01 July 2023	95,914,178,428	5,034,717,809	6,969,330,444	2,030,827,409	109,949,054,090
Charge for the year (Note 7.2)	17,142,242,612	897,967,773	1,258,210,886	1,046,894,427	20,345,315,698
Remeasurements recognized in statement of comprehensive income (Note 7.3)	(50,292,403)	1,153,989,952	6,198,002,277	-	7,301,699,826
Benefits paid	(7,565,908,118)	(797,320,597)	(449,206,192)	(368,798,922)	(9,181,233,829)
Contribution made	(5,218,380,847)	(482,689,160)	(277,145,039)	(97,784,954)	(6,076,000,000)
Balance as at 30 June 2024	100,221,839,672	5,806,665,777	13,699,192,376	2,611,137,960	122,338,835,785

30 June 2023					
Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total	
-----RUPEES-----					
Balance as at 01 July 2022	88,938,166,809	5,386,516,267	3,964,605,230	2,015,532,812	100,304,821,118
Charge for the year (Note 7.2)	13,506,864,256	784,348,968	613,987,414	745,539,723	15,650,740,361
Remeasurements recognized in statement of comprehensive income (Note 7.3)	1,734,153,165	175,942,866	3,098,283,710	-	5,008,379,741
Liability transferred from GENCO's (Note 22.2.3)	763,999,744	46,244,599	79,054,248	-	889,298,591
Benefits paid	(6,542,576,081)	(718,344,665)	(323,845,494)	(406,419,481)	(7,991,185,721)
Contribution made	(2,486,429,465)	(639,990,226)	(462,754,664)	(323,825,645)	(3,913,000,000)
Balance as at 30 June 2023	95,914,178,428	5,034,717,809	6,969,330,444	2,030,827,409	109,949,054,090

## 7.1.1 The amount of obligations recognized in the statement of financial position is as follows:

30 June 2024					
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	-----RUPEES-----				
Present value of defined benefit obligations	121,571,893,255	9,737,417,418	16,435,361,746	4,342,961,953	152,087,634,372
Fair value of plan assets	(21,350,053,583)	(3,930,751,641)	(2,736,169,370)	(1,731,823,993)	(29,748,798,587)
	<u>100,221,839,672</u>	<u>5,806,665,777</u>	<u>13,699,192,376</u>	<u>2,611,137,960</u>	<u>122,338,835,785</u>
30 June 2023					
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	-----RUPEES-----				
Present value of defined benefit obligations	107,857,884,961	8,109,028,642	9,192,257,637	3,586,383,489	128,745,554,729
Fair value of plan assets	(11,943,706,533)	(3,074,310,833)	(2,222,927,193)	(1,555,556,080)	(18,796,500,639)
	<u>95,914,178,428</u>	<u>5,034,717,809</u>	<u>6,969,330,444</u>	<u>2,030,827,409</u>	<u>109,949,054,090</u>

## 7.1.1.1 Change in fair value of plan assets

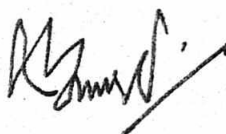
	30 June 2024				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	-----RUPEES-----				
Balance as at 01 July	11,943,706,533	3,074,310,833	2,222,927,193	1,555,556,080	18,796,500,639
Expected return on plan assets	1,050,069,432	459,426,730	336,561,217	223,657,733	2,069,715,112
Cash flows:					
- Total employer's contributions					
(i) Employer's contributions	5,218,380,847	482,689,160	277,145,039	97,784,954	6,076,000,000
(ii) Employer's direct benefit payments	7,565,908,118	797,320,597	449,206,192	368,798,922	9,181,233,829
- Benefit payments from plan	(7,565,908,118)	(797,320,597)	(449,206,192)	(368,798,922)	(9,181,233,829)
Actuarial gain on plan assets	3,137,896,771	(85,675,082)	(100,464,079)	(145,174,774)	2,806,582,836
Balance as at 30 June	21,350,053,583	3,930,751,641	2,736,169,370	1,731,823,993	29,748,798,587

## ANNEX-B

## O&amp;M Indexation for FY 2025-26

(Rs. Million)

A/c Head	FY 2024-25			FY 2025-26		
	Determined Budget			Adjustment		
	DoP	SoP	Total	DoP	SoP	Total
Salaries & Wages	13,733	2,854	16,587	15,192	3,157	18,349
Post Retirement Benefits	12,681	3,859	16,540	15,056	5,290	20,345
Repair & Maintenance	1,208	65	1,273	1,242	67	1,309
Travelling Expenses	2,391	1,534	3,925	2,459	1,578	4,037
Transportation						
Telephone						
Licensing Fee						
Collection Charges						
Stationery Expense						
New Recruitment Expense						
Miscellaneous						
Bank Charges						
<b>Total Other O&amp;M</b>	<b>2,391</b>	<b>1,534</b>	<b>3,925</b>	<b>2,459</b>	<b>1,578</b>	<b>4,037</b>
<b>Total O&amp;M</b>	<b>30,013</b>	<b>8,312</b>	<b>38,325</b>	<b>33,949</b>	<b>10,091</b>	<b>44,040</b>



**FAISALABAD ELECTRIC SUPPLY COMPANY (FESCO)**  
**Distribution Margin Recovery for FY 2023-24**

**Annexure-C**  
**Rs. Million**

Particulars	July-23 (Old)	July-23 (New)	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Total
Units Purchased	891	1,026	2,084	1,706	1,249	900	861	913	810	978	1,079	1,577	1,662	15,736
T&D Losses	8.84%	8.74%	8.74%	8.74%	8.74%	8.74%	8.74%	8.74%	8.74%	8.74%	8.74%	8.74%	8.74%	
Standard Units Sold	812	936	1,902	1,557	1,140	821	786	833	739	892	984	1,439	1,517	14,360
Incremental Units	16	124	186	160	121	-	-	-	-	-	-	-	-	608
Net Units Sold	796	812	1,716	1,397	1,019	821	786	833	739	892	984	1,439	1,517	13,753
DM Rate	2.26	2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81	
DM Amount	1,800	2,282	4,821	3,925	2,864	2,308	2,209	2,341	2,077	2,507	2,766	4,045	4,263	38,207

*[Handwritten Signature]*

**Minimum Tax Paid during FY 2023-24****(Annexure-D)****Rs.Million**

<b>CPR No.</b>	<b>Date</b>	<b>Tax Paid</b>
IT20230922-0101-1991065	29-09-2023	1,500
IT20231220-0101-1474912	20-12-2023	900
IT20231230-0101-1798985	30-12-2023	621
IT20240329-0101-1966610	29-03-2024	950
IT20240527-0101-1791934	27-05-2024	108
IT20240528-0101-1792813	28-05-2024	2
IT20240613-0101-1392375	13-06-2024	100
IT20240624-0101-1647189	24-06-2024	1,100
<b>Total</b>		<b>5,281</b>







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



SBP Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

**CPR No** : IT-20230922-0101-1991065

**Payment Date** : 22-Sep-2023

**Payment Section** : 147 - Advance Income Tax - 9202

**RTO/LTO** : LTO MULTAN

**Nature of Payment** : Advance Income Tax

**Tax Period** : 2024

**Account Head(NAM)** : B01105

**Details of Tax Payer**

**NTN / CNIC** : 3048930-0 / 0038923

**Status** : CO

**Taxpayer/Business** : FAISALABAD ELECTRIC SUPPLY COMPANY

**Name & Address** : FAISALABAD ELECTRIC SUPPLY COMPANY , FINANCE DIRECTOR OFFICE ABDULLAHPUR  
CANAL ROAD

**Tax Amount** : 1,500,000,000

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

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	1,500,000,000	22-Sep-2023		



IT-20230922-0101-1991065

FBR ADC 0101

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-20231220-0101-1474912

**Payment Date** : 20-Dec-2023

**Payment Section** : 147 - Advance Income Tax - 9202

**RTO/LTO** : LTO MULTAN

**Nature of Payment** : Advance Income Tax

**Tax Period** : 2024

**Account Head(NAM)** : B01105

**Details of Tax Payer**

**NTN / CNIC** : 3048930-0 / 0038923

**Status** : CO

**Taxpayer/Business** :

**Name & Address** : FAISALABAD ELECTRIC SUPPLY COMPANY , FINANCE DIRECTOR OFFICE ABDULLAHPUR  
CANAL ROAD

**Tax Amount** : 900,000,000

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

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	900,000,000	20-Dec-2023		



FBR ADC 0101

IT-20231220-0101-1474912

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-20241230-0101-1798985

Payment Date : 30-Dec-2024

Payment Section : 137 - Admitted Income Tax - 9203

RTO/LTO : LTO MULTAN

Nature of Payment : Admitted Income Tax

Tax Period : 2024

Account Head(NAM) : B01131

Details of Tax Payer

NTN / CNIC : 3048930-0 / 0038923

Status

Taxpayer/Business

Name & Address : FAISALABAD ELECTRIC SUPPLY COMPANY, FINANCE DIRECTOR OFFICE ABDULLAHPUR  
CANAL ROAD

Tax Amount : 621,445,910

Amount of Tax in Words : Six Hundred Twenty One Million Four Hundred Forty Five Thousand Nine Hundred Ten Rupees And No Paises Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	621,445,910	30-Dec-2024		



IT-20241230-0101-1798985

FBR ADC 0101

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-20240329-0101-1966610

**Payment Section** : 147 - Advance Income Tax - 9202

**Nature of Payment** : Advance Income Tax

**Account Head(NAM)** : B01105

**Payment Date** : 29-Mar-2024

**RTO/LTO** : LTO MULTAN

**Tax Period** : 2024

**Details of Tax Payer**

**NTN / CNIC** : 3048930-0 / 0038923

**Status** : CO

**Taxpayer/Business** :

**Name & Address** : FAISALABAD ELECTRIC SUPPLY COMPANY , FINANCE DIRECTOR OFFICE ABDULLAHPUR  
CANAL ROAD

**Tax Amount** : 950,000,000

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

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	950,000,000	29-Mar-2024		



IT-20240329-0101-1966610

FBR ADC 0101

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-20240527-0101-1791934

**Payment Date** : 27-May-2024

**Payment Section** : 137 - Demanded Income Tax - 9204

**RTO/LTO** : LTO MULTAN

**Nature of Payment** : Demanded Income Tax

**Tax Period** : 2015

**Account Head(NAM)** : B01131

**Details of Tax Payer**

**NTN / CNIC** : 3048930-0

**Status** : CO

**Taxpayer/Business** : FAISALABAD ELECTRIC SUPPLY COMPANY

**Name & Address** : FAISALABAD ELECTRIC SUPPLY COMPANY, FINANCE DIRECTOR OFFICE ABDULLAHPUR  
CANAL ROAD, ( DEMAND AGAINST ORDER U/s 122(5A) Dated 18.03.2016 Vide Banker  
Cheque No. 80004688 Dated 27.05.2024

**Tax Amount** : 108,000,000

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

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	108,000,000	27-May-2024		



IT-20240527-0101-1791934

FBR ADC 0101

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-20240528-0101-1792813

**Payment Date** : 28-May-2024

**Payment Section** : 137 - Demanded Income Tax - 9204

**RTO/LTO** : LTO MULTAN

**Nature of Payment** : Demanded Income Tax

**Tax Period** : 2015

**Account Head(NAM)** : B01131

**Details of Tax Payer**

**NTN / CNIC** : 3048930-0

**Status** : CO

**Taxpayer/Business** : FAISALABAD ELECTRIC SUPPLY COMPANY

**Name & Address** : FAISALABAD ELECTRIC SUPPLY COMPANY, FINANCE DIRECTOR OFFICE ABDULLAHPUR  
CANAL ROAD, (DEMAND AGAINST ORDER U/S 122(5A) DATED 18.03.2016 VIDE BANKER  
CHEQUE NO:00161998 and NO:00161999

**Tax Amount** : 1,506,260

**Amount of Tax in Words** : One Million Five Hundred Six Thousand Two Hundred Sixty Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	1,506,260	28-May-2024		



IT-20240528-0101-1792813

FBR ADC 0101

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-20240613-0101-1392375

Payment Date : 13-Jun-2024

Payment Section : 137 - Demanded Income Tax - 9204

RTO/LTO : LTO MULTAN

Nature of Payment : Demanded Income Tax

Tax Period : 2015

Account Head(NAM) : B01131

Details of Tax Payer

NTN / CNIC : 3048930-0/0038923

Status : CO

Taxpayer/Business :

Name & Address : FAISALABAD ELECTRIC SUPPLY COMPANY, Demand against order U/s 122(5A) dated 18.03.2016 (Recovery Notice dated 22.01.2024)

Tax Amount : 100,000,000

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

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	100,000,000	13-Jun-2024		



FBR ADC 0101

IT-20240613-0101-1392375

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-20240624-0101-1647189

**Payment Date** : 24-Jun-2024

**Payment Section** : 147 - Advance Income Tax - 9202

**RTO/LTO** : LTO MULTAN

**Nature of Payment** : Advance Income Tax

**Tax Period** : 2024

**Account Head(NAM)** : B01105

**Details of Tax Payer**

**NTN / CNIC** : 3048930-0 / 0038923

**Status** : CO

**Taxpayer/Business** :

**Name & Address** : FAISALABAD ELECTRIC SUPPLY COMPANY, FINANCE DIRECTOR OFFICE ABDULLAHPUR  
CANAL ROAD

**Tax Amount** : 1,100,000,000

SBP Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

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

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	1,100,000,000	24-Jun-2024		



FBR ADC 0101

IT-20240624-0101-1647189

Signature & Stamp of Manager / Authorized officer



**Annex-E**

**Revenue Reconciliation from FY 2020-21 to FY 2023-24**

PKR Million

Description	2020-21	2021-22	2022-23	2023-24
Revenue CP-41	200,632	286,187	369,503	455,263
Adjustment	-	125	-	-
Impact of Re-Statement	-	-	3,331	1,272
IDTR	(27,866)	(37,520)	(31,705)	(19,481)
FPA (Reversal)	-	186	(24,699)	(7,961)
FPA (Accrual)	(186)	27,426	5,234	7,015
FCA Credit Received from CPPA-G	-	-	-	514
Impact of Cut of Units	22	3,464	8,210	(1,848)
<b>Sub Total (Sale of Electricity-Net)</b>	<b>172,602</b>	<b>279,868</b>	<b>329,874</b>	<b>434,774</b>
Subsidy	59,178	57,944	50,990	26,249
<b>Total Sales Revenue (Audited)</b>	<b>231,780</b>	<b>337,812</b>	<b>380,864</b>	<b>461,023</b>

*[Handwritten Signature]*



FESCO

# FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED

Phone No. 041-9220242

Fax No. 041-9220217

Email: fdfesco\_cpc@yahoo.com

No. 905 /FESCO/ CFO

Annex - F  
OFFICE OF THE  
CHIEF FINANCIAL OFFICER  
FESCO FAISALABAD  
Dated 20/01/2025

The Registrar, NEPRA,  
NEPRA Tower, G-5/1,  
Islamabad.

**Subject: INFORMATION DIRECTION-FOR WORKING OF PRIOR YEAR  
ADJUSTMENT (PYA) TO BE MADE PART OF REVENUE REQUIREMENT  
FOR FY 2025-26 OF XWDISCOs**

**Ref:-** Your office letter No. NEPRA/ADG(Tariff)/TRF-100/16675-85 dated 06-11-2024

With reference to above, the desired information in respect of Faisalabad Electric Supply Company is attached as under, please.

- I. Audited Finance statement for FY 2022-23 & FY 2023-24
- II. Sales Mix data on monthly as well as consolidated for complete year for FY 2021-22, FY2022-23 & FY 2023-24.
- III. Fixed Assets Schedule on cost basis.
- IV. Operational expenses detail.
- V. Detail of Post-retirement benefit.
- VI. Purchase and sales data.
- VII. Tax related information for past years.

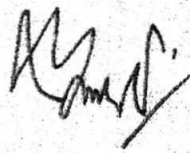
It is further added that all above information has also been sent in soft form on email address (imran.hafeez@nepra.org.pk).

DA/As above.

  
(NAZIR AHMAD)  
CHIEF FINANCIAL OFFICER

**C.C to:-**

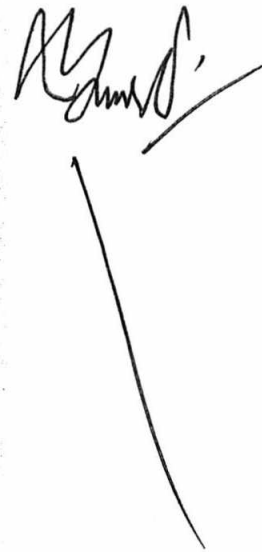
- 1) Addl. Director (Tariff) Ministry of Energy (Power Division) for information with reference to his office letter No. Tariff/XWDISCO's-2025-26 dated 27-11-2024 please.
- 2) SO to CEO FESCO, Faisalabad.



## Abstract of QTA Recovery (4th Qtr 2022-23 to 4th Qtr 2023-24)

Annexure-G

Description	NEPRA Determined	FESCO Recovery	Variance	Time Period
4th Qtr FY 2022-23	22,022	19,905	2,117	Oct-2023 to Mar-2024
1st Qtr FY 2023-24	4,716	5,365	(649)	Jan-2024 to Mar-2024
2nd Qtr FY 2023-24	10,857	9,918	939	Apr-2024 to June-2024
3rd Qtr FY 2023-24	9,090	7,573	1,517	June-2024 to Aug-2024
4th Qtr FY 2023-24	4,674	4,115	559	Sep-2024 to Nov-2024
<b>Total</b>	<b>51,359</b>	<b>46,875</b>	<b>4,484</b>	

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**FAISALABAD ELECTRIC SUPPLY COMPANY (FESCO)**  
**4th AQTA FY 2022-23**

Month	Units Purchases	T&D Losses	Standard Units Sold	Life Line Units	Incremental Units	Net Units	AQTA Rate	Amount
Oct-23	744,091,393	8.74%	679,057,805	749,989	110,223,328	568,084,488	4.0731	2,313,864,928
Nov-23	894,221,160	8.74%	816,066,231	1,208,515	-	814,857,716	4.0731	3,318,996,961
Dec-23	856,461,637	8.74%	781,606,890	853,611	-	780,753,279	4.0731	3,180,086,180
Jan-24	910,111,866	8.74%	830,568,089	871,671	-	829,696,418	4.0731	3,379,436,480
Feb-24	802,353,267	8.74%	732,227,591	909,724	-	731,317,867	4.0731	2,978,730,806
Mar-24	966,085,933	8.74%	881,650,022	883,360	-	880,766,662	4.0731	3,587,450,693
Apr-24	309,198,355	8.74%	282,174,419	716,951	-	281,457,468	4.0731	1,146,404,411
Total	5,482,523,611		5,003,351,047	6,193,821	110,223,328	4,886,933,898		19,904,970,460
							FESCO Recovery	19,905
							Determined Amount	22,022
							Less Recovery	2,117

*[Handwritten Signature]*



**FAISALABAD ELECTRIC SUPPLY COMPANY (FESCO)****1st AQTA FY 2023-24**


Month	Units Purchases	T&D Losses	Standard Units Sold	Life Line Units	Net Units	AQTA Rate	Amount
Jan-24	723,290,644	8.74%	660,075,042	450,828	659,624,214	2.1012	1,386,002,398
Feb-24	802,353,267	8.74%	732,227,591	909,724	731,317,867	2.1012	1,536,645,103
Mar-24	966,085,933	8.74%	881,650,022	883,360	880,766,662	2.1012	1,850,666,911
Apr-24	309,198,355	8.74%	282,174,419	716,951	281,457,468	2.1012	591,398,431
Total	2,800,928,199		2,556,127,074	2,960,863	2,553,166,211		5,364,712,844
						FESCO Recovery	5,365
						Determined Amount	4,716
						Excess Recovery	(649)

**2nd AQTA FY 2023-24**

Month	Units Purchases	T&D Losses	Standard Units Sold	Life Line Units	Net Units	AQTA Rate	Amount
Apr-24	753,864,111	8.74%	687,976,388	708,477	687,267,911	2.3886	1,641,608,132
May-24	1,562,042,749	8.74%	1,425,520,213	1,715,195	1,423,805,018	2.3886	3,400,900,665
Jun-24	1,645,336,506	8.74%	1,501,534,095	1,850,418	1,499,683,677	2.3886	3,582,144,432
Jul-24	591,788,767	8.38%	542,196,868	855,765	541,341,103	2.3886	1,293,047,359
<b>Total</b>	<b>4,553,032,133</b>		<b>4,157,227,564</b>	<b>5,129,855</b>	<b>4,152,097,709</b>		<b>9,917,700,587</b>
						FESCO Recovery	9,918
						Determined Amount	10,857
						Less Recovery	939

**FAISALABAD ELECTRIC SUPPLY COMPANY (FESCO)****3rd AQTA FY 2023-24**

Month	Units Purchases	T&D Losses	Standard Units Sold	Life Line Units	Net Units	AQTA Rate	Amount
Jun-24	1,084,359,969	8.74%	989,586,907	932,355	988,654,552	1.6416	1,622,975,313
Jul-24	1,810,404,246	8.38%	1,658,692,370	1,784,723	1,656,907,647	1.6416	2,719,979,594
Aug-24	1,638,056,909	8.38%	1,500,787,740	1,734,053	1,499,053,687	1.6416	2,460,846,533
Sep-24	512,429,042	8.38%	469,487,489	829,731	468,657,758	1.6416	769,348,575
<b>Total</b>	<b>5,045,250,166</b>		<b>4,618,554,506</b>	<b>5,280,862</b>	<b>4,613,273,644</b>		<b>7,573,150,014</b>



FESCO Recovery	7,573
Determined Amount	9,090
Less Recovery	1,517

**FAISALABAD ELECTRIC SUPPLY COMPANY (FESCO)**  
**4th AQTA FY 2023-24**

Month	Units Purchases	T&D Losses	Standard Units Sold	Life Line Units	Incremental Units	Net Units	AQTA Rate	Amount
Sep-24	1,041,490,922	8.38%	954,213,983	875,097	-	953,338,886	1.2924	1,232,095,176
Oct-24	1,312,671,915	8.38%	1,202,670,009	1,507,367	-	1,201,162,642	1.2924	1,552,382,598
Nov-24	924,309,827	8.38%	846,852,663	1,157,534	-	845,695,129	1.2924	1,092,976,385
Dec-24	203,511,032	8.38%	186,456,807	365,244	2,638,132	183,453,431	1.2924	237,095,215
<b>Total</b>	<b>3,481,983,696</b>		<b>3,190,193,462</b>	<b>3,905,242</b>	<b>2,638,132</b>	<b>3,183,650,088</b>		<b>4,114,549,374</b>
							FESCO Recovery	4,115
							Determined Amount	4,674
							Less Recovery	559

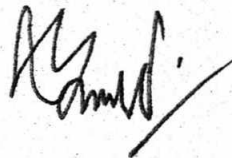




## Annexure-H

**Excess Supplemental Charges of Rs.2,993 Million than LPS:**

Sr #	Invoice No.	Period	PKR Mln.
1	LPS/Jul-23/FESCO	07-2023	1,258
2	LPS/Aug-23/FESCO	08-2023	1,279
3	LPS/Sep-23/FESCO	09-2023	389
4	LPS/Oct-23/FESCO	10-2023	719
5	LPS/Nov-23/FESCO	11-2023	744
6	LPS/Dec-23/FESCO	12-2023	415
7	LPS/JAN-24/FESCO	01-2024	588
8	LPS/Feb-24/FESCO	02-2024	1,030
9	LPS/Mar-24/FESCO	03-2024	559
10	LPS/Apr-24/FESCO	04-2024	611
11	LPS/May-24/FESCO	05-2024	445
12	LPS/June-24/FESCO	06-2024	685
<b>Total</b>			<b>8,722</b>
<b>Less; LPS Collected during FY 2023-24</b>			<b>5,729</b>
<b>Suppl. Charges (billed by CPPA-G) in excess of LPS</b>			<b>2,993</b>





# Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



## Delayed Payment Charges Advice

CPPA-NTN: 4401241-1

CPPA-GST No. 3277876113750

Name and Address

Faisalabad Electric Supply Company (FESCO)  
West Canal Road, Abdullah Pur, Faisalabad

GST No 24-00-2716-001-19

Billing Month	July-2023
Advice No	LPS/Jul-23/FESCO
Issue Date	21/08/2023

Description	Amount (Rs.)
Supplemental Charges for July-2023	1,258,287,199

Addl. Manager Finance (Billing)



# Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



## Delayed Payment Charges Advice

CPPA-NTN: 4401241-1

CPPA-GST No. 3277876113750

Name and Address

Faisalabad Electric Supply Company (FESCO)  
West Canal Road, Abdullah Pur, Faisalabad

GST No 24-00-2716-001-19

Billing Month	August-2023
Advice No	LPS/Jul-Aug/FESCO
Issue Date	21/09/2023

Description	Amount (Rs.)
Supplemental Charges for August-2023	1,279,444,626

Addl: Manager Finance (Billing)



# Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



## Delayed Payment Charges Advice

CPPA-NTN: 4401241-1

CPPA-GST No. 3277876113750

Name and Address

Faisalabad Electric Supply Company (FESCO)  
West Canal Road, Abdullah Pur, Faisalabad

GST No 24-00-2716-001-19

Billing Month	September-2023
Advice No	LPS/SEP/FESCO
Issue Date	13/10/2023

Description	Amount (Rs.)
Supplemental Charges for September-2023	388,703,368

Addl: Manager Finance (Billing)





# Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



## Delayed Payment Charges Advice

CPPA-NTN: 4401241-1

CPPA-GST No. 3277876113750

Name and Address

Faisalabad Electric Supply Company (FESCO)  
West Canal Road, Abdullah Pur, Faisalabad

GST No 24-00-2716-001-19

Billing Month	October-2023
Advice No	LPS/Oct-23/FESCO
Issue Date	14/11/2023

Description	Amount (Rs.)
Supplemental Charges for October-2023	718,536,513

Additional Manager Finance (Billing)



# Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



## Delayed Payment Charges Advice

CPPA-NTN: 4401241-1

CPPA-GST No. 3277876113750

Name and Address

Faisalabad Electric Supply Company (FESCO)  
West Canal Road, Abdullah Pur, Faisalabad

GST No 24-00-2716-001-19

Billing Month	November-2023
Advice No	LPS/Nov/FESCO
Issue Date	15/12/2023

Description	Amount (Rs.)
Supplemental Charges for November-2023	744,311,183

Add: Manager Finance (Billing)



# Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



## Delayed Payment Charges Advice

CPPA-NTN: 4401248-1

CPPA-GST No. 3277876113750

Name and Address

Faisalabad Electric Supply Company (FESCO)  
West Canal Road, Abdullah Pur, Faisalabad

GST No 24-00-2716-001-19

Billing Month	December-2023
Advice No	LPS/Dec/FESCO
Issue Date	15/01/2024

Description	Amount (Rs.)
Supplemental Charges for December-2023	415,220,032

Addl: Manager Finance (Billing)



# Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



## Delayed Payment Charges Advice

CPPA-NTN: 4401241-1

CPPA-GST No. 3277876113750

Name and Address

Faisalabad Electric Supply Company (FESCO)  
West Canal Road, Abdullah Pur, Faisalabad

GST No 24-00-2716-001-19

Billing Month	January-2024
Advice No	LPS/Jan-24/FESCO
Issue Date	19/02/2024

Description	Amount (Rs.)
Supplemental Charges for January-2024	588,135,736

Add: Manager Finance (Billing)





# Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



## Delayed Payment Charges Advice

CPPA-NTN: 4401241-I

CPPA-GST No. 3277876113750

Name and Address

Faisalabad Electric Supply Company (FESCO)  
West Canal Road, Abdullah Pur, Faisalabad

GST No 24-00-2716-001-19

Billing Month	February-2024
Advice No	LPS/Feb-24/FESCO
Issue Date	20/03/2024

Description	Amount (Rs.)
Supplemental Charges for February-2024	1,030,174,315

Addl: Manager Finance (Billing)



# Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



## Delayed Payment Charges Advice

CPPA-NTN: 4401241-1  
CPPA-GST No. 3277876113750

Name and Address

Faisalabad Electric Supply Company (FESCO)  
West Canal Road, Abdullah Pur, Faisalabad

GST No 24-00-2716-001-19

Billing Month	March-2024
Advice No	LPS/Mar-24/FESCO
Issue Date	18/04/2024

Description	Amount (Rs.)
Supplemental Charges for March-2024	559,130,521

Addl: Manager Finance (Billing)



# Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



## Delayed Payment Charges Advice

CPPA-NTN: 4401241-1  
CPPA-GST No. 3277876113750

Name and Address

Faisalabad Electric Supply Company (FESCO)  
West Canal Road, Abdullah Pur, Faisalabad

GST No 24-00-2716-001-19

Billing Month	April-2024
Advice No	LPS/Apr-24/FESCO
Issue Date	21/05/2024

Description	Amount (Rs.)
Supplemental Charges for April-2024	610,835,955

Addl: Manager Finance (Billing)



# Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



## Delayed Payment Charges Advice

CPPA-NTN: 4401241-1

CPPA-GST No. 3277876113750

Name and Address

Faisalabad Electric Supply Company (FESCO)  
West Canal Road, Abdullah Pur, Faisalabad

GST No 24-00-2716-001-19

Billing Month	May-2024
Advice No	LPS/May-24/FESCO
Issue Date	24/06/2024

Description	Amount (Rs.)
Supplemental Charges for May-2024	445,014,551

Addl. Manager Finance (Billing)





# Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



## Delayed Payment Charges Advice

CPPA-NTN: 4401241-1  
CPPA-GST No. 3277876113750

Name and Address

Faisalabad Electric Supply Company (FESCO)  
West Canal Road, Abdullah Pur, Faisalabad

GST No 24-00-2716-001-19

Billing Month	June-2024
Advice No	LPS/June-24/FESCO
Issue Date	22/07/2024

Description	Amount (Rs.)
Supplemental Charges for June-2024	684,685,630

Manager Finance (B & R)

# Original Cost Working as on 30.06.2024

## Annex-I

Description	Cost as on 01.07.2023	Addition	Deletion	Total Cost as on 30.06.2024	DEP as on 01.07.2023	DEP on Opening	DEP on addition	DEP for the Year	Adjustment	DEP as on 30.6.2024	Impairment	Book value as on 30.06.2024
Land - freehold	1,156,055,867	-	-	1,156,055,867	-	-	-	-	-	-	-	1,156,055,867
Building on freehold land	4,084,513,860	515,050,280	-	4,599,564,140	913,174,701	81,026,273	1,549,343	82,575,617	-	995,750,317	(315,364,734)	3,288,449,089
Feeders (up to 11 kv)	89,166,967,526	14,515,494,752	(1,808,781,893)	101,873,680,385	29,702,221,429	3,347,126,547	224,261,318	3,571,387,866	560,707,968	32,712,901,326	-	69,160,779,059
Grids and equipment	27,671,307,300	2,098,191,886	(158,551,829)	29,610,947,357	8,819,918,043	968,490,202	13,278,258	981,768,460	57,765,540	9,743,920,963	-	19,867,026,394
<b>TOTAL</b>	<b>122,078,844,553</b>	<b>17,128,736,918</b>	<b>(1,967,333,722)</b>	<b>137,240,247,749</b>	<b>39,435,314,172</b>	<b>4,396,643,023</b>	<b>239,088,919</b>	<b>4,635,731,942</b>	<b>618,473,508</b>	<b>43,452,572,606</b>	<b>(315,364,734)</b>	<b>93,472,310,409</b>
T&P	1,226,151,605	266,189,193	(793,000)	1,491,547,798	782,123,388	-	108,166,321	108,166,321	626,388	889,663,321	-	601,884,477
Vehicles	1,656,242,969	184,279,478	(9,747,027)	1,830,775,420	923,478,676	-	100,037,806	100,037,806	9,747,027	1,013,769,455	-	817,005,965
<b>G.TOTAL</b>	<b>124,961,239,127</b>	<b>17,579,205,589</b>	<b>(1,977,873,749)</b>	<b>140,562,570,967</b>	<b>41,140,916,236</b>	<b>4,396,643,023</b>	<b>447,293,046</b>	<b>4,843,936,069</b>	<b>628,846,923</b>	<b>45,356,005,382</b>	<b>(315,364,734)</b>	<b>94,891,200,851</b>

*[Handwritten Signature]*

Annex - J

## 7.1 Movement in the net liabilities recognized in the statement of financial position is as follows:

30 June 2024					
Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total	
-----RUPEES-----					
Balance as at 01 July 2023	95,914,178,428	5,034,717,809	6,969,330,444	2,030,827,409	109,949,054,090
Charge for the year (Note 7.2)	17,142,242,612	897,967,773	1,258,210,886	1,046,894,427	20,345,315,698
Remeasurements recognized in statement of comprehensive income (Note 7.3)	(50,292,403)	1,153,989,952	6,198,002,277	-	7,301,699,826
Benefits paid	(7,565,908,118)	(797,320,597)	(449,206,192)	(368,798,922)	(9,181,233,829)
Contribution made	(5,218,380,847)	(482,689,160)	(277,145,039)	(97,784,954)	(6,076,000,000)
Balance as at 30 June 2024	100,221,839,672	5,806,665,777	13,699,192,376	2,611,137,960	122,338,835,785

30 June 2023					
Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total	
-----RUPEES-----					
Balance as at 01 July 2022	88,938,166,809	5,386,516,267	3,964,605,230	2,015,532,812	100,304,821,118
Charge for the year (Note 7.2)	13,506,864,256	784,348,968	613,987,414	745,539,723	15,650,740,361
Remeasurements recognized in statement of comprehensive income (Note 7.3)	1,734,153,165	175,942,866	3,098,283,710	-	5,008,379,741
Liability transferred from GENCO's (Note 22.2.3)	763,999,744	46,244,599	79,054,248	-	889,298,591
Benefits paid	(5,542,576,081)	(718,344,665)	(323,845,494)	(406,419,481)	(7,991,185,721)
Contribution made	(2,486,429,465)	(639,990,226)	(462,754,664)	(323,825,645)	(3,913,000,000)
Balance as at 30 June 2023	95,914,178,428	5,034,717,809	6,969,330,444	2,030,827,409	109,949,054,090

## 7.1.1 The amount of obligations recognized in the statement of financial position is as follows:

30 June 2024					
Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total	
-----RUPEES-----					
Present value of defined benefit obligations	121,571,893,255	9,737,417,418	16,435,361,746	4,342,961,953	152,087,634,372
Fair value of plan assets	(21,350,053,583)	(3,930,751,641)	(2,736,169,370)	(1,731,823,993)	(29,748,798,587)
	<u>100,221,839,672</u>	<u>5,806,665,777</u>	<u>13,699,192,376</u>	<u>2,611,137,960</u>	<u>122,338,835,785</u>

30 June 2023					
Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total	
-----RUPEES-----					
Present value of defined benefit obligations	107,857,884,961	8,109,028,642	9,192,257,637	3,586,383,489	128,745,554,729
Fair value of plan assets	(11,943,706,533)	(3,074,310,833)	(2,222,927,193)	(1,555,556,080)	(18,796,500,639)
	<u>95,914,178,428</u>	<u>5,034,717,809</u>	<u>6,969,330,444</u>	<u>2,030,827,409</u>	<u>109,949,054,090</u>

## 7.1.1.1 Change in fair value of plan assets

	30 June 2024				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	-----RUPEES-----				
Balance as at 01 July	11,943,706,533	3,074,310,833	2,222,927,193	1,555,556,080	18,796,500,639
Expected return on plan assets	1,050,069,432	459,426,730	336,561,217	223,657,733	2,069,715,112
Cash flows:					
- Total employer's contributions					
(i) Employer's contributions	5,218,380,847	482,689,160	277,145,039	97,784,954	6,076,000,000
(ii) Employer's direct benefit payments	7,565,908,118	797,320,597	449,206,192	368,798,922	9,181,233,829
- Benefit payments from plan	(7,565,908,118)	(797,320,597)	(449,206,192)	(368,798,922)	(9,181,233,829)
Actuarial gain on plan assets	3,137,896,771	(85,675,082)	(100,464,079)	(145,174,774)	2,806,582,836
Balance as at 30 June	21,350,053,583	3,930,751,641	2,736,169,370	1,731,823,993	29,748,798,587



Annex - K

**ANWAR ASSOCIATES**  
Consulting Actuaries

FESCO Employees' Defined Benefit Plans  
Actuarial Valuation Report as at 30.06.2024  
IAS-19 Rev. 2011

## 7 Summary of the Actuarial Results

Given below are highlight of the results in respect of FESCO Employees Pension, Post-Retirement Medical, Free Electricity & Leave Encashment Plans as at June 30, 2024.

Detailed IAS19 Disclosures for Financial Year ending June 30, 2024 are given in the Annexure A. All amounts are expressed in Pakistani Rupees.

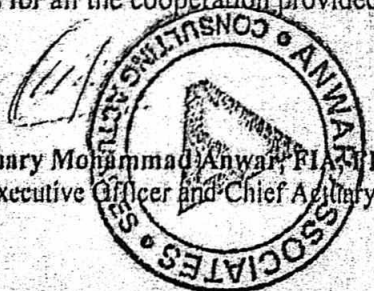
Summary of Results as at 30.06.2024		Pension Plan	Post-Retirement Medical Plan	Post-Retirement Electricity Plan	Leave Encashment Plan	Total
1	P&L charge / (credit)	17,142,242,612	897,967,773	1,258,210,886	1,046,894,427	20,345,315,698
2	Other Comprehensive (Income) / Loss	(50,292,402)	1,153,989,952	6,198,002,277	-	7,301,699,826
3	Total Defined Benefit Cost Recognized in P&L and OCI	17,091,950,209	2,051,957,725	7,456,213,163	1,046,894,427	27,647,015,524
4	Defined Benefit Obligation	121,571,893,255	9,737,417,418	16,435,361,746	4,342,961,953	152,087,634,372
5	Fair Value of Plan Assets	(21,350,053,582)	(3,930,751,640)	(2,736,169,370)	(1,731,823,993)	(29,748,798,585)
6	Net Liability / (Asset) at the end of the Period	100,221,839,673	5,806,665,778	13,699,192,376	2,611,137,960	122,338,835,787
7	Effective Duration of the Plan	15 Years	9 Years	11 Years	12 Years	-
8	Discount Rate at period-end	14.00%	14.00%	14.00%	14.00%	-

It may please be noted that there are certain risks associated with Actuarial Valuation of Defined Benefit Plans and these are listed in Annexure D.

It will be a pleasure for us to answer any questions on any aspect of this Report, or to provide explanation or further details as may be appropriate.

Thanks for all the cooperation provided in the preparation of this Report.

Chaudhary Mohammad Anwar, FIA, FLM, FPSOA  
Chief Executive Officer and Chief Actuary



*[Handwritten signature]*



# Return on Rate Base (RORB)

## Annexure-L

Description	2022-23	2023-24	2024-25	2025-26
	Audited	Audited	Act./Prov	Adjusted (Distribution)
Gross Fixed Assets in Operation – Op. Balance	110,097	124,961	140,562	157,583
Add: Addition/Transfer in Fixed Assets (Net)	14,864	15,601	17,021	21,988
<b>Fixed Assets in Operation – Closing Balance</b>	<b>124,961</b>	<b>140,562</b>	<b>157,583</b>	<b>179,571</b>
Less: Accumulated Depreciation	(41,141)	(45,336)	(50,758)	(56,867)
<b>Net Fixed Assets in Operation</b>	<b>83,820</b>	<b>95,226</b>	<b>106,825</b>	<b>122,704</b>
Add: Assets Under Construction(AUC) – Cl. Balance	25,822	31,421	39,111	40,752
<b>Total Fixed Assets</b>	<b>109,642</b>	<b>126,647</b>	<b>145,936</b>	<b>163,456</b>
Less: Deferred Credits	40,912	45,830	52,879	59,465
<b>Regulatory Assets Base</b>	<b>68,730</b>	<b>80,817</b>	<b>93,057</b>	<b>103,991</b>
<b>Average Regulatory Assets Base (RAB)</b>	<b>62,269</b>	<b>74,774</b>	<b>86,937</b>	<b>98,524</b>
<b>WACC</b>	<b>18.26%</b>	<b>21.27%</b>	<b>21.18%</b>	<b>21.18%</b>
<b>RORB = RAB * WACC</b>	<b>11,370</b>	<b>15,902</b>	<b>18,409</b>	<b>20,862</b>

*K. S. Kumar*



**FAISALABAD ELECTRIC SUPPLY COMPANY**  
**WEST CANAL ROAD, ABDULLAHPUR, FAISALABAD**  
<http://www.fesco.com.pk> E-mail: [dg@fesco.com.pk](mailto:dg@fesco.com.pk)

Phone No. 041-9220586  
No. 041-9220585

IT Directorate  
FESCO Computer Centre  
Faisalabad

Fcc/CC&B/PITC/5427

Dated: 19-02-2025

Chief Executive Officer (PITC),  
Wan e Iqbal Lower Ground Building 3,  
Gerton Road, Lahore.  
Phone: 042-99205449.

Attn: Mr. Wasim Khan, Addl: DG (Application Development) PITC

Subject: PROVISION OF UNITS BILLED TO LIFELINE CONSUMERS, DOMESTIC CONSUMERS (CONSUMING UPTO 300 UNITS) AND AGRICULTURE CONSUMERS FOR THE PERIOD FY 2020-21 TO FY 2023-24.

Ref: (i) Chief Financial Office letter No. 982/FESCO/CFO/CPC Dated: 19.02.2025. (Copy enclosed)  
(ii) Authority Determination no. 2283-87 Dated: 12.02.2025. (Copy enclosed)

On the filed motion for leave for review with NEPRA and challenging recovery of QTA by FESCO; NEPRA authority has directed FESCO "To get its data, regarding units billed to lifeline consumers, domestic consumers (consuming upto 300 units) and Agriculture consumers, reconciled with PITC and submit such reconciliation to the authority for the period FY 2020-21 to FY 2023-24".

It is hereby requested to provide the reconciliation of units billed to lifeline consumers, domestic consumers (consuming upto 300 units) and Agriculture consumers for the period FY 2020-21 to FY 2023-24 as given in the attached Annex-A which is taken from Tariff Differential Subsidy (TDS) statements of respective months. Your cooperation will be highly appreciated in this regard.

"Matter is most urgent please".

DA/As above

D.C.A
D.F(CPC)
DY.DIR(C.A.II/II) CPK
AD/ASST/1 BKG/PENSION/TAX
CONS/ID/ASSETS/IMPLE/B. DEPT
A.O. (ADMN)
P.A. FIN. DIR
CASHIER / ERP
Chief Financial Officer, FESCO Faisalabad with respect to your office letter no. 982/FESCO/CFO/CPC Dated: 19.02.2025
FESCO FAISALABAD.
2571
20.2.25

Director General (IT)  
FESCO Computer Centre  
Faisalabad

CC To:

✓ Chief Financial Officer, FESCO Faisalabad with respect to your office letter no. 982/FESCO/CFO/CPC Dated: 19.02.2025

*[Signature]*

**FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED**

Phone No. 041-9220242  
Fax No. 041-9220217  
Email: fdfesco\_cpc@yahoo.com

OFFICE OF THE  
CHIEF FINANCIAL OFFICER  
FESCO FAISALABAD

No. 1002 /FESCO/ CFO/CPC

Dated 24/02/2025

Riaz Ahmad & Company,  
Chartered Accountants,  
FS Tower, Faisalabad.

**SUBJECT: CERTIFICATE REGARDING GROSS DEPRECIATION**

Ref: Authority determination No.2289-93 dated February 12, 2025 (copy enclosed)


FESCO through a Motion for Leave to Review requested NEPRA to allow gross depreciation of Rs.3,548 & Rs.3,628 million for FY 2020-21 & FY 2021-22 respectively excluding accumulated depreciation on account of Assets retired/ removed during the year (Copy attached as Annex-A).

In its decision dated February 12, 2025 NEPRA directed FESCO to provide an audit certificate from its Auditors in this regard or Re-state its Financial Statement for the relevant period for consideration, so that, necessary adjustment, if any could be made. At this stage, the only possible way to comply with NEPRA direction is an audit certificate by your firm.

It is worthwhile to mention that the requisite disclosure vide Note No. 15.1.6.1 has already been given in the Audited Financial Statements of FY 2023-24 (Copy attached as Annex-B).

Please feel free to contact this office for any clarification.

DA/As above

  
(NAZIR AHMAD)  
CHIEF FINANCIAL OFFICER