Faisalabad Electric Supply Company Ltd.

FESCO

Annual Adjustment/Indexation of
Distribution/Supply Margin (D/SM) For CY 2027
&
Prior Year Adjustment (PYA) Till FY 2025-26
Under Multi Year Tariff (MYT) Regime

August 31, 2026

FESCO HEAD QUARTER
WEST CANAL ROAD, ABDULLAH PUR, FAISALABAD

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.

3.2.4 Further the Authority in Para 4.24 of the Annual Adjustment for the FY 2025-26 dated June 23, 2025, 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. Actuary has calculated Post retirement benefits for FY 2025-26 Rs.16,954 Million. Actuary also projected Post retirement benefits for FY 2026-27 Rs.17,688 Million. For the FY 2027-28, Post Retirement Benefits have been indexed with projected CPI 5.85%, after applying 30% efficiency factor, at Rs.18,723 Million over the base cost of Rs.17,688 Million (FY 2026-27). Accordingly, the Post Retirement Benefits have been worked out Rs.18,206 Million for CY 2027 (Average of FY 2026-27 & FY 2027-28).

3.2.5 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

ΔNCPI = 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

3.2.6 **Repair & Maintenance.** Authority has allowed Rs.1,309 Million for FY 2025-26 under head Repair & Maintenance in its decision dated June 23, 2025. Authority has also allowed Rs.683 Million for Repair & Maintenance (R&M) for the period from July 2026 to December 2026 in its decision dated January 07, 2026 (referred para-13). Accordingly, the Repair & Maintenance has been worked out Rs.1,366 Million for FY 2026-27 (683*2). For FY 2027-28 R&M Cost has been indexed Rs.1,446 Million with projected CPI 5.85%, after applying 30% efficiency factor, over the base cost of Rs.1,366 Million (FY 2026-27). Resultantly, Repair & Maintenance has been worked out Rs.1,406 million for CY 2027 (Average of FY 2026-27 & FY 2027-28)

3.2.7 **Other O&M Cost.** Authority has allowed Rs.4,036 Million for FY 2025-26 under Head Travelling Allowance, Vehicle Expenses & Other Expenses in its decision dated June 23, 2025. Authority has also allowed other O&M Cost Rs.2,105 Million for the period from July-2026 to December-2026 in its decision dated January 07, 2026 (referred para #13). Accordingly, the other O&M Cost has been worked out Rs.4,210 Million for FY 2026-27 (2105*2) under Head Travelling Allowance, Vehicle Expenses & Other Expenses. For FY 2027-28, the other O&M Cost has been indexed Rs.4,456 Million with projected CPI 5.85% ,after applying 30% efficiency factor, over the base cost of Rs.4,210 million (FY 2026-27). Resultantly, other O&M cost has been worked out Rs.4,333 Million for CY 2027 (Average of FY 2026-27 & FY 2027-28).

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 (R&M) for the CY 2027 for Distribution and Supply functions is given as under:

(Table-02) **(PKR Millions)**

Description	FY 2026-27			FY 2027-28			CY 2027		
	DoP	**SoP**	**Total**	**DoP**	**SoP**	**Total**	**DoP**	**SoP**	**Total**
Salaries , wages & other benefits	17,119	6,015	23,134	18,897	6,664	25,561	18,008	6,340	24,348
Post-Retirement Benefits	13,089	4,599	17,688	13,855	4,868	18,723	13,472	4,734	18,206
Repair & Maintenance	1,291	75	1,366	1,367	79	1,446	1,329	77	1,406
Travelling Allowance	502	176	678	531	187	718	516	181	698
Vehicle Maintenance	1,124	30	1,154	1,190	32	1,222	1,157	31	1,188
Other Expenses	1,760	618	2,378	1,863	654	2,517	1,811	636	2,448
Total O&M Cost	**34,885**	**11,514**	**46,398**	**37,702**	**12,484**	**50,187**	**36,293**	**11,999**	**48,292**

Working attached as (**Annex-A**)

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 CY 2027 is calculated as under:-

For FY 2025-26 based on un-audited actual investment of Rs.20,901 Million

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

$RORB_{(Rev)}$ = 12,538 * 93,718/92,600 = 12,689 Million

For FY 2026-27 based on allowed investment of Rs.34,958 Million

$RORB_{(Rev)}$ = 12,689 *106,141/93,718 = 14,372 Million

For FY 2027-28 based on allowed investment of Rs.32,605 Million

$RORB_{(Rev)}$ = 14,372 * 124,339/106,141 = 16,836 Million

For CY 2027 (Average of FY 2026-27 & FY 2027-28)

(14,372 + 16836)/2 = 15,603 Million

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

(Table-03) **(PKR Millions)**

Description	FY 2026-27	FY 2027-28	CY-2027
	Projected	Projected	Adjusted/ Indexed
Gross Fixed Assets in Operation–OB	185,482	217,367	201,425
Add: Addition/Transfer in Fixed Assets (Net)	31,885	32,031	31,958
Fixed Assets in Operation –CB	**217,367**	**249,398**	**233,383**
Less: Accumulated Depreciation	60,160	68,129	64,144
Net Fixed Assets in Operation	**157,207**	**181,269**	**169,238**
Add: Assets Under Construction(AUC)– CB	21,851	21,262	21,557
Total Fixed Assets	**179,058**	**202,531**	**190,795**
Less: Deferred Credits	63,923	68,989	66,456
Regulatory Assets Base	**115,135**	**133,542**	**124,339**
Average Regulatory Assets Base (RAB)	**106,141**	**124,339**	**115,240**
WACC	**13.54%**	**13.54%**	**13.54%**
RORB = RAB * WACC	**14,372**	**16,836**	**15,603**

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:

DEP(Rev) = DEP(Ref) * GFAIO(Rev) / 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 CY 2027 is calculated as under:-

For FY 2025-26 based on un-audited actual investment of Rs.20,901 Million

DEP(Rev) = DEP(Ref) * GFAIO(Rev) /GFAIO(Ref)
DEP(Rev) = 7,119 * 184,285/191,373 = 6,855 Million
= 6,855 * 3.21% / 3.72% = 5,917 Million

For FY 2026-27 based on allowed investment of Rs.34,958 Million

DEP(Rev) = DEP(Ref) * GFAIO(Rev) /GFAIO(Ref)
DEP(Rev) = 5,917 * 216,170/184,285 = 6,941 Million

For FY 2027-28 based on allowed investment of Rs.32,605 Million

DEP(Rev) = DEP(Ref) * GFAIO(Rev) /GFAIO(Ref)
DEP(Rev) = 6,941 * 248,201/216,170 = 7,969 Million

FOR CY 2027 Average of FY 2026-27 & FY 2027-28
(6,941 + 7,969)/2 = 7,455 Million

3.4.3 The supporting calculations is as under;

(Table-04) **(PKR Millions)**

Description	FY 2026-27 Projected	FY 2027-28 Projected	CY-2027 Adjusted/ Indexed
Gross Fixed Assets in Operation (GFAIO)–OB	185,482	217,367	201,425
Add: Addition/Transfer/Deletion in FA (Net)	31,885	32,031	31,958
Fixed Assets in Operation–CB	**217,367**	**249,398**	**233,383**
Less; Value of Land	1,197	1,197	1,197
GFAIO excluding Land	**216,170**	**248,201**	**232,186**
Depreciation Expense	**6,941**	**7,969**	**7,455**

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 CY 2027 as per above mechanism is assessed as under:-

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

4 Prior Year Adjustment (PYA) Till FY 2025-26:

4.1 Un-Recovered Dist. & Supply Margin (D/SM) For FY 2025-26

4.1.1 Authority allowed Distribution & Supply Margin (D/SM) of Rs.57,727 Million for the FY 2025-26 vide No.NEPRA/ADG(Tariff) /TRF-605&TRF-606/11982-88 dated July 14, 2026 respectively. The Distribution Margin (DM) recovered for the FY-2025-26 was Rs.55,218 Million **(Annex-B)** based on notified tariff vide SRO No.1159 (1)/2025 dated July 01, 2025, vide SRO No.41 (1)/2026 dated January 13, 2026 & SRO No.279(I)/2026 dated February 12,2026 after excluding the impact of incremental units sold to Industrial & Agricultural Consumer at flat rate of Rs.22.98/kWh. The Distribution Margin (DM) less recovered is Rs.2,509 Million (the difference of amount allowed and recovered) as given below:-

(Table-05)

Description	PKR Millions
Allowed by Authority	57,727
Recovered by FESCO	55,218
Less Recovered DM for FY 2025-26	**2,509**

4.1.2 Authority is requested to allow Rs.2,509 Million in the Prior Year Adjustment (PYA) of the FY 2025-26.

4.2 Minimum Tax Paid during FY 2025-26:

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.7,430 Million for the FY 2025-26 as given hereunder:-

(Table-06) **(PKR Millions)**

CPR No.	Date	Tax Paid
IT20250925-0101-1653524	25-09-2025	1,560
IT20251224-0101-1793004	24-12-2025	1,350
IT20260319-0101-1446704	19-03-2026	720
IT20260327-0101-1555501	27-03-2026	707
IT20260327-0101-1555542	27-03-2026	883
IT20260327-0101-1555543	27-03-2026	79
IT20260327-0101-1555605	27-03-2026	681
IT20260615-0101-1443402	15-06-2026	1,450
Total		**7,430**

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

4.2.2 Authority is requested to allow Rs.7,430 Million in the Prior Year Adjustment (PYA) of the FY 2025-26.

4.3 Consumer Mix Variance:

4.3.1 Authority in the matter of Revised Annual Rebasing Timelines for Consumer End Tariff CY 2026 dated January 07,2026 directed FESCO to provide reconciled data of sales mix with its reported revenue as per audited Financial Statements of last 03 years. In compliance, the reconciled data of Sales Mix with revenue reported in the audited Financial Statement for FY 2023-24 to FY 2025-26 (un-audited) is attached (**Annex-D**). FESCO also worked out consumer mix variance for the FY 2024-25 & FY 2025-26 as under:-

(Table-07)

Year	PKR Millions
2024-25	**2,895**
2025-26	**(320)**
Total	**2,575**

4.3.2 Authority is requested to allow Rs.2,575 Million on account of consumer mix variance for FY 2024-25 & FY 2025-26 in the Prior Year Adjustment (PYA) of FY 2025-26.

4.4 Less Recovery of Quarterly Tariff Adjustments:

4.4.1 Authority allowed Rs.(12,985) Million for the 4th Quarter of FY 2024-25, Ist & 2nd Quarters of FY 2025-26. FESCO passed on an amount of Rs.(12,136) Million. Detail is given below;-

(Table-08) **(PKR Millions)**

Description	Determined	Billed	Variance	Time Period
4th Qtr FY 2024-25	(15,589)	(14,751)	(838)	Aug-2025 to Oct-2025
1st Qtr FY 2025-26	652	689	(37)	Dec-2025 to Feb-2026
2nd Qtr FY 2025-26	1,952	1,926	26	Mar-2026 to May-2026
Total	**(12,985)**	**(12,136)**	**(849)**	

(Working attached as **Annex-E**)

4.4.2 Authority is requested to adjust an amount of Rs.(849) Million in the Prior Year Adjustment (PYA) of FY 2025-26.

4.5 Depreciation for FY 2-025-26:

4.5.1 Authority allowed Depreciation of Rs.7,119 Million for FY 2025-26 vide decision No.NEPRA/ADG(Tariff)/TRF-605&TRF-606/11982-88 dated July 14,2026. As per FESCO un-audited Financial Statement for FY 2025-26, the actual gross Depreciation (Original Cost Basis) for FY 2025-26 is Rs.5,917 Million. The allowed depreciation was higher than the actual depreciation by Rs.1,202 Million (difference of amount allowed & actual) as given below;

(Table-09)

Description	PKR Millions
Allowed by Authority	7,119
Actual Depreciation	5,917
Excess Allowed Depreciation for FY 2025-26	**1,202**

(Working attached as **Annex-F)**

4.5.2 Authority is requested to adjust Rs.1,202 Million in the Prior Year Adjustment (PYA) of FY 2025-26.

4.6 Other Income for FY 2025-26:

4.6.1 Authority allowed Other Income of Rs.7,553 Million for FY 2025-26 vide decision No. NEPRA/ADG(Tariff)/TRF-605&TRF-606/11982-88 dated July 14,2026. As per FESCO un-audited Financial Statement for FY 2025-26, the actual Other Income earned for the FY 2025-26 is Rs.7,493 Million (excluding interest earned from Receipt against Deposit Work Accounts) which is Rs.1,339 Million. Thus FESCO earned less Other Income of Rs.60 Million (difference of amount allowed and actual) than allowed by Authority for FY 2025-26. Detail is given as under;-

(Table-10)

Description	PKR Millions
Allowed by Authority	7,553
Actual Other Income	7,493
Less Earned Other Income for FY 2025-26	**60**

4.6.2 Authority is requested to allow Rs.60 Million in the Prior Year Adjustment (PYA) of FY 2025-26 less earned than the allowed/determined.

4.7 True up of RoRB for FY 2025-26:

4.7.1 Authority allowed RoRB of Rs.12,538 Million for FY 2025-26 vide decision No.NEPRA/ADG(Tariff)/TRF-605&TRF-606/11982-88 dated July 14,2026 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 2025-26 trued up based on actual investment of FY 2025-26. Actual RoRB for FY 2025-26 as per un-audited Financial Statements comes to Rs.12,689 Million. Hence RoRB for FY 2025-26 less allowed by authority to the extent of Rs.151 Million as given below;

(Table-11)

Description	PKR Millions
Allowed by Authority	12,538
Revised RoRB for FY 2025-26	12,689
Less Allowed RoRB for FY 2025-26	**151**

(Working attached at **Annex-G**)

4.7.2 Authority is requested to allow Rs.151 Million in the Prior Year Adjustment (PYA) of FY 2025-26.

4.8 True up for Prior Year Adjustment PYA for FY 2024-25:

4.8.1 Authority allowed Prior Year Adjustment (PYA) of Rs.25,988 Million for FY 2024-25 vide decision No.NEPRA/ADG(Tariff)/TRF-605&TRF-606/FESCO-2024/9271-77 dated June 14,2024. As per FESCO audited Financial Statement for FY 2024-25, the actual PYA recovered for the FY 2025-26 is Rs.23,722 Million. Thus FESCO less recovered PYA of Rs.2,266 Million (difference of amount allowed and actual) than allowed by Authority for FY 2024-25. Detail is given as under;-

(Table-12)

Description	PKR Millions
Allowed by Authority	25,988
Actual Recovered for FY 2024-25	23,722
Un-Recovered PYA for FY 2024-25	**2,266**

(Working attached at **Annex-H**)

4.8.2 Authority is requested to allow Rs.2,266 Million in the Prior Year Adjustment (PYA) of FY 2025-26.

4.9 Post-Retirement Benefits (PRB) for FY 2015-16 to FY 2024-25

4.9.1 Authority in the matter of Petition filed by Faisalabad Electric Supply Company Ltd. (FESCO) for the determination of its Consumer end Tariff pertaining to Financial Year 2015-16 to 2019-20 (Case# NEPRA/TRF-329/FESCO-2015) vide decision No.NEPRA/ TRF-329/FESCO-2015-8465 dated December 31,2015 (referred para #19.3.4) has directed FESCO to create separate accounts or fund (as the case may be) for each head of post-retirement liability and it would be mandatory for the Petitioner to deposit the whole amount into separate funds and accounts (as the case may be).

Authority further directed that If the Petitioner fails to transfer the whole amount of post-retirement benefits, the Authority would adjust the deficit payments in the next year's provision and from thereon, only actual amounts paid and amount transferred into the fund would be allowed. Authority allowed provision for Post-Retirement Benefits for FY 2015-16 of Rs.3,242 Million based on last three years average. For FY 2016-17, Authority allowed provision for Post-Retirement Benefits of Rs.4,952 Million based on actuarial valuation report for the respective Financial Year i.e. 2016-17.

4.9.2 In compliance of Authority's direction FESCO deposited an amount of Rs.4,391 Million in the Post-retirement benefits Trust Fund (already established) based on the difference of provision allowed and actual payments for the FY 2015-16 to 2018-19. Detail is as under:- **(Table-13)** **(PKR Millions)**

Year	Allowed	Paid to Pensioners	Deficit
2015-16	3,242	2,319	923
2016-17	4,952	3,420	1,532
2017-18	5,447	4,001	1,446
2018-19	5,447	4,957	490
Total	**19,088**	**14,697**	**4,391**

4.9.3 FESCO also informed the said matter to Authority in the matter of Petition filed by FESCO for Annual Indexation for FY 2020-21 (referred para #3.1.2.4) filed with NEPRA vide No.11656-59 dated 19.10.2020

As FESCO complied Authority's direction given in the matter of Petition filed by Faisalabad Electric Supply Company Ltd. (FESCO) for the determination of its Consumer end Tariff pertaining to Financial Year 2015-16 to 2019-20 (Case # NEPRA/TRF-329/FESCO-2015) vide decision No.NEPRA/TRF-329/FESCO-2015-8465 dated December 31, 2015 (referred para #19.3.4).

It is further added that Authority in the matter of Petition filed by Faisalabad Electric Supply Company Limited (FESCO) for determination of Distribution & Supply Tariff under MYT Regime for the FY 2023-24 to 2027-28 vide decision No.NEPRA/ADG(Tariff)/TRF-606/2454-58 dated March 14,2024 (referred para 14.10) & No.NEPRA/ADG(Tariff)/TRF-605/2448-52 dated March 14,2024 (referred para 13.10) respectively 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.

4.9.4 Hence Authority is requested to allow difference of provision for post-retirement benefits and already allowed amount of Rs.14,407 Million for the period from FY 2015-16 to FY 2025-26. Detail is given below:-

(Table-14) **(PKR Millions)**

FY	Provision	Allowed	Deficit
2015-16	4,630	3,242	1,388
2016-17	5,147	4,952	195
2017-18	6,745	5,447	1,298
2018-19	11,376	5,447	5,929
2019-20	13,412	10,854	2,558
2020-21	8,775	8,775	-
2021-22	10,085	9,653	432
2022-23	15,651	9,653	5,998
2023-24	20,345	20,345	-
2024-25	18,818	18,818	-
2025-26	16,954	20,345	(3,391)
Total	**131,938**	**117,531**	**14,407**

4.9.5 It is respectfully submitted that remeasurement of defined benefit obligations recognized through Other Comprehensive Income (OCI), also result in an increase in the Company's liabilities towards its defined benefit obligations. FESCO in the matter of MYT Petition filed with NEPRA dated May 17, 2023 has requested Authority to allow actuarial loss charged to OCI for FY 2022-23 of Rs.5,008 Million. NEPRA in its decision that 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.

4.9.6 In view thereof, it is respectfully requested that the Authority may consider the impact of such remeasurements in future Tariff Adjustments while determining the Company's revenue requirements, in accordance with the applicable regulatory framework. It is further requested that an appropriate mechanism may be adopted for recognition and recovery of such amounts so that the resulting tariff impact on consumers is managed in a gradual and reasonable manner, while ensuring that the Company is not placed in a position where it faces difficulties in meeting its obligations towards defined benefit schemes. This approach would appropriately balance the interests of consumers with the Company's legitimate requirement to meet its statutory and contractual pension obligations. Detail is given below:-

(Table-15) **(PKR Millions)**

FY	Re-Measurement
2015-16	8,772
2016-17	4,086
2017-18	12,921
2018-19	8,625
2019-20	(3,649)
2020-21	3,510
2021-22	12,277
2022-23	5,008
2023-24	7,302
2024-25	3,733
2025-26	2,782
	65,367

4.10 Supplemental Charges FY 2010-11 to 2013-14:

4.10.1 Supplemental Charges FY 2011-14:

4.10.2 FESCO in the Tariff Petition FY 2015-16 to FY 2019-20 has requested Authority to allow invoices issued by Director Finance CPPA-G Lahore regarding Supplementary charges re-allocation of interest/mark-up paid to IPPs on account of Energy purchased on behalf of Company. Detail is as under

(Table-16)

Description	FY	Period	PKR Million
Supplementary Charges	2010-11	June-11	2,766
Supplementary Charges	2011-12	Jun-12	2,063
Supplementary Charges	2012-13	Jun-13	1,236
Supplementary Charges	2013-14	Jun-14	121
Total			**6,186**

4.10.3 Authority in the Tariff determination FY 2015-16 to FY 2019-20 dated December 31,2015 (referred para#30.8) has stated that the said supplementary charges pertains to previous period from FY 2010-11 to 2013-14, whereas decision of the Authority for excluding late payment charges from the other income of the petitioner, was decided during the Tariff determination with respect to FY 2014-15. Any claim on account of supplementary charges before FY 2014-15 was not allowed on account of non-compliance by the petitioner with respect to non-signing of ESA.

4.10.4 It is evident that Authority had not considered the supplementary charges pertains to previous period from FY 2010-11 to 2013-14, on the plea that FESCO had not complied Authority's direction with respect to non-signing of ESA. On the other hand Authority in the Tariff determination for FY 2014-15 dated March 10, 2015 (referred para#16.3 to 16.6) had already decided that existing electricity supply agreement dated June 29, 1998 signed between WAPDA and FESCO is valid and same shall be implemented in letter and spirit. Therefore ESCO position is that the supplementary charges for FY 2010-11 to FY 2013-14 should be examined **on the basis of the rights and obligations arising under the valid 1998 ESA**, rather than being rejected solely because of non-signing of another ESA. The Authority's recognition of the 1998 ESA strengthens FESCO's contention that the underlying contractual arrangement remained operative during the relevant period.

4.10.5 It is further added that Ministry of Energy (Power Division) Islamabad in different meetings instructing DISCOs (FESCO) for recognition of Supplementary Charges billed by CPPA-G as it become the cost of overall Sector incurred due to insufficient payments to Power Generators by the DISCOs due to delayed determination of Tariff including Fuel Cost and Quarterly Power Purchase Price Adjustments, delay in release of Subsidies etc. This cost is accumulated with the passage of time and contribute towards the Circular Debt.

4.10.6 Foregoing in view, Authority is requested to allow supplementary charges of Rs.6,186/- Million for the period from FY 2010-11-2013-14 as part of Prior Year Adjustment

4.10.7 Supplemental Charges billed by CPPA-G beyond the amount of Late Payment Surcharge for FY 2018-19 To FY 2024-25

4.10.8 It is submitted that CPPA levies Delay Payment Charges (also referred to as Supplemental Charges) on FESCO through its monthly invoices, which are regularly recorded in our accounts. NEPRA has allowed, from 2015 to onwards, the booking of Supplemental Charges only to the extent of Late Payment Surcharges (LPS) recovered from consumers. Any amount over and above the LPS is not admissible under NEPRA's determinations. Consequently, no Supplemental Charges prior to 2015 were ever allowed by NEPRA, and only the LPS-equivalent portion collected from consumers has been booked in the subsequent years. Detail is as under:-

(Table-17) **(PKR Millions)**

FY	Invoiced by CPPA-G	Collected from Consumers	Adjusted by FESCO	Credit Received from CPPA-G	Excess Billed by CPPA-G
2010-11	2,766	-	-	-	2,766
2011-12	2,063	-	-	-	2,063
2012-13	1,236	-	-	-	1,236
2013-14	121	-	-	-	121
Sub Total					**6,186**
2015-16	101	1,112	101	-	-
2016-17	103	1,069	103	-	-
2017-18	609	1,280	609	-	-
2018-19	1,890	1,406	1,406	-	484
2019-20	3,004	1,681	1,681	-	1,323
2020-21	4,547	2,065	2,065	-	2,482
2021-22	5,146	2,359	2,359	-	2,788
2022-23	2,962	3,887	2,962	-	-
2023-24	8,722	5,729	5,729	-	2,993
2024-25	6,002	5,895	6,002	4,907	(4,907)
Sub Total					**5,163**
Grand Total					**11,348**

4.10.9 However in view of the ongoing privatization process of FESCO, the Ministry of Privatization and the Ministry of Energy vide letter No.14/11/2018-DISCO-I dated 11.10.2024 **(Annex-I)** emphasized to book the expenditure on supplemental charges in their book of accounts. The Financial Advisor also specifically highlighted that all long-outstanding disputes and un-booked Supplemental Charges must be resolved and properly accounted for. Accordingly, with the approval of the Competent Authority, i.e., FESCO's Board of Directors **(Annex-J)**, FESCO booked Supplemental Charges of Rs.11,348 million for the period from 2010-11 to 2024-25 strictly in accordance with the directions of the Ministry of Energy (Power Division) Islamabad, and the requirements of the Privatization Commission and the Financial Advisor. This step has contributed to a cleaner and more transparent balance sheet.

4.10.10 Authority is requested to allow supplementary charges of Rs. 11,348 Million billed by CPPA-G to FESCO on account of delayed payments to IPPs/Power Generators above the LPS earned for the period from 2010-11 to 2024-25 in the Prior Year Adjustment (PYA) of FY 2025-26.

4.11 FPA for the Period from November-2019 to June-2020

4.11.1 Authority has notified vide SRO-700(I)/2020 dated August 07, 2020, Fuel Cost Adjustment (FCAs) for the period from November-2019 to June-2020 **(Annex-K).** However the said FCAs was not charged/passed on to consumers with reference to Ministry of Energy (Power Division) video link meeting dated 13.08.2021 at 08:00 PM intimated to Joint Secretary (PF) Ministry of Energy (Power Division) Islamabad vide letter No.1674/CEx/M/DMC/G-16/FPA dated 06.12.021 **(Annex-L).** Ministry of Energy (Power Division) Islamabad vide letter No.Tariff/XWDISCOs-2020 dated December 15, 2021 **(Annex-M)** has intimated that ECC decision has been communicated to NEPRA vide No.Tariff/XWDISCOs dated December 01, 2021 **(Annex-N).** ECC in case No.ECC-383/37/2021 dated November 04, 2021 has approved proposal submitted by the Power Division on October 22, 2021 which is reproduced as under:-

"Federal Government may issue guidelines to NEPRA and also require it to reconsider its decision dated August 07, 2020 to allow recovery of pending FCA of Rs.17.15 billion as Prior Year Adjustment in rebasing decision which are under process at NEPRA"

4.11.2 It is therefore requested that Fuel Cost Adjustment (FCAs) for the period from November-2019 to June-2020 amounting to Rs.2,698 Million **(Annex-O)** may be allowed as Prior Year Adjustment so that FESCO may be able to recover its legitimate cost.

4.12 Receivable from WAPDA on Account of Post Retirement Benefit Obligation of WAPDA Employees Retired on or Before 01.07.1998

4.12.1 It is stated that Authority in the matter of post-retirement benefits obligation of WAPDA Employees retired on or before 01.07.1998 has decided in its Tariff Determination No.NEPRA/R/TRF-272/FESCO-2014/3161 dated March 10, 2015 for the Determination of its Consumer end Tariff pertaining to FY 2014-15.

4.12.2 Under para 13.3.1 of determination dated March 14, 2015 Authority stated that "Based on the principles of natural justice and on the fact that had WAPDA adopted IAS-19 at the time of unbundling, the liability of the retired employees would have been transferred to the XWDISCOs as the referred retired employees have served in the formation that are currently part of XWDISCOs

Further, in future WAPDA would not be having any interest in the form of investments, from where it would be generating any additional revenues. In view thereof, it can be fairly concluded that this cost needs to be borne by XWDISCOs.

4.12.3 Further under para 13.3.2 of determination dated March 14, 2015 Authority stated that "Here it is pertinent to mention that since XWDISCOs has not booked the said cost in their financial statements. In view thereof, the Authority has principally decided that all cost of the XWAPDA retired employees upto 30th June, 2014 would be borne by WAPDA. However, any cost after 30th June, 2014 would be borne by XWDISCOs. Thus, the Petitioner is directed to submit its next tariff petition accordingly.

4.12.4 In line with Authority's Tariff Determination for FY 2014-15 (para 13.3.2) dated March 10, 2015, FESCO has recognized an amount of Rs.5,317.81 Million as receivables from WAPDA in its books of Accounts based on the Actuarial Valuation Reports for FY 2014-15 and FY 2015-16 on account of past service cost pertaining to ex-WAPDA pensioners who retired on or before 01.07.1998. This receivable has been calculated upto 30th June 2014.

4.12.5 FESCO approached WAPDA for settlement of the post-retirement benefits obligation of WAPDA Employees retired on or before 01.07.1998 in line with Authority's Tariff Determination for FY 2014-15 (para 13.3.2) dated March 10, 2015,but WAPDA vide letter No.GMF(P)/MF(HQ)/Accounts/1785 dated 18.07.2025 **(Annex-P)** has made following submissions:-

a) As a matter of fact, WAPDA Water wing and shares in Power Companies comprise non-regulated business which is not controlled by NEPRA. Moreover, NEPRA never issued any directions on the issue to WAPDA Regulated Business in its tariff determinations and NEPRA's direction in the FESCO Tariff Determination for FY 2014-15 were exclusively for FESCO.

b) The modalities for the settlement of captioned issue of XWAPDA entities was decided by erstwhile covering MoW&P vide its Notification dated 11.05.2017 according to which all XWDISCOs/GENCOs/NTDC have to submit adjustment claims to WAPDA by 30.04.2017 and on receipt of claims from all XWDISCOs/GENCOs/NTDC WAPDA will have to make adjustment in its books by reducing its net worth by 30.06.2017.

c) The approved mechanism clearly necessities adjustment of XWAPDA retired employees cost in consolidated matter. Since, claims from all XWDISCOs/GENCOs/NTDC were not received with stipulated time, therefore WAPDA was never in a position to make book adjustment of XWAPDA retired employees cost claims.

d) As a result of recent ECC decision dated 18.02.2025, WAPDA in compliance has already transferred its shares in power companies including FESCO in the name of President of Pakistan vide letter dated 02.06.2025 and adjustment of WAPDA's net worth in XWDISCOs/GENCOs/NTDC Companies upto 30.06.2014 as per approved procedure provided in MoW&P notification dated 11.05.2017 is not possible at WAPDA level.

4.12.6 In another correspondence, WAPDA letter No.16-20/GMF(P)/MF(H.Q)/Accounts dated 20.01.2026 **(Annex-Q)** stated that it is evident that NEPRA in its Tariff Determination No.NEPRA/TRF-272/FESCO-2014/3158-3160 dated 10.03.2015 under para 13.3.1 has absolved WAPDA from any further liability w.r.t FESCO and other corporate entities due to transfer of business in favor of corporate entities.

4.12.7 Moreover in view of the ongoing privatization process of FESCO, the Ministry of Privatization and the Ministry of Energy emphasized the need to clean and streamline the balance sheet. The Financial Advisor also specifically highlighted that all long-outstanding disputes must be resolved and properly accounted for.

4.12.8 Authority is requested to allow FESCO the Post-Retirement Benefits Obligation of WAPDA Employees retired on or before 01.07.1998 amounting to Rs.5,318 Million as Prior Year Adjustment to resolve this long outstanding issue.

4.13 Summary of PYA for FY 2025-26 into Distribution & Supply:

4.13.1 The breakup of Prior Year Adjustment for the FY 2025-26 into Distribution and Supply of Electric Power after taking into account the preceding para is given below;

(Table-18) (PKR Millions)

Description	Dist:	Supply	Total
Un-Recovered Distribution Margin For FY 2025-26	1,857	652	2,509
Minimum Tax Paid during FY 2025-26	-	7,430	7,430
Consumer Mix Variance for FY 2025-26	-	2,575	2,575
Less Passed on Quarterly Tariff Adjustments	-	(849)	(849)
Less Earned Other Income for FY 2025-26	45	15	60
Excess Allowed Depreciation for FY 2025-26	(1,202)	-	(1,202)
Less Allowed RoRB for FY 2025-26	151	-	151
Un-Recovered PYA for FY 2024-25	1,677	589	2,266
Less Allowed PRB for FY 2016-26	10,661	3,746	14,407
Suppl. Charges (billed by CPPA-G) for FY 2011-14	6,186	-	6,186
Suppl. Charges (billed by CPPA-G) in excess of LPS	5,163	-	5,163
Un-Recovered FCA for Nov-2019 to Jun-2020	-	2,698	2,698
Receivable from WAPDA on Account PRB obligations on or before 01.07.1998	3,935	1,383	5,318
Total PYA FY 2025-26	**28,472**	**18,240**	**46,712**
Projected Unit Sold for CY 2027	15,061	15,061	15,061
Rs./kWh	**1.89**	**1.21**	**3.10**

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 CY 2027 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 for CY 2027 based on actual provisional data for CY 2026.

5.3. The T&D Losses has been taken as average 7.44% of approved by NEPRA in the case of FESCO DIIP for the FY 2026-27 & FY 2027-28. The estimated purchase and sales for the CY 2027 would be 16,271 M kWh and 15,061 M kWh given below:-

(Table-19)

Description	PKR Millions
Energy Purchase Price (EPP)	132,180
Capacity Purchase Price (CPP)	245,652
UoSC, PMLTC & MoF	37,682
Total	**415,514**

6 Revenue Requirement:

6.1 Based on the information given in the preceding paragraphs the estimated Revenue Requirement (RR) for the CY 2027 on projected Sales of 15061 M kWh is given here under;

(Table-20) (PKR Millions)

Description	Dist:	Rs. /kWh	Supply	Rs. /kWh	Total	Rs. /kWh
A- Power Purchase Price						
Energy Charges	-	-	132,180	8.78	132,180	8.78
Capacity Charges	-	-	245,652	16.31	245,652	16.31
UoSC & MOF	-	-	37,682	2.50	37,682	2.50
Total PPP	-	-	**415,514**	**27.59**	**415,514**	**27.59**
B- Dist./ Supply Margin						
O&M Cost	36,293	2.41	11,999	0.80	48,292	3.21
RORB	15,603	1.04	-	-	15,603	1.04
Depreciation	7,455	0.49	-	-	7,455	0.49
Total	**59,352**	**3.94**	**11,999**	**0.80**	**71,351**	**4.74**
Other Income	(8,663)	(0.58)	-	-	(8,663)	(0.58)
C- Net Dist./ Supply Margin	**50,689**	**3.37**	**11,999**	**0.80**	**62,688**	**4.16**
D- Prior Year Adj 2025-26	**28,472**	**1.89**	**18,240**	**1.21**	**46,712**	**3.10**
E- Prior Year Adj determined By NEPRA dt.14.07.2026	**7,593**	**0.50**	**2,668**	**0.18**	**10,261**	**0.68**
F- Total (A+C+D+E)	**86,754**	**5.76**	**448,421**	**29.77**	**535,175**	**35.53**

7 Amount Allowed in the Matter of FESCO MLR:

7.1 The Authority in its decision No.1982-88 dated July 14, 2026 in the matter of FESCO Motion for Leave for Review filed with NEPRA against the decision of the Authority dated 07.01.2026 in the matter of Revised Annual Rebasing timelines for consumer end Tariff under Multi Year Tariff (MYT) has allowed an amount of Rs.10,261 Million for FY 2025-26.

7.2 Hence Authority is requested to allow Rs.10,261 as part of Prior Year Adjustment in the subsequent rebasing of consumer end Tariff.

8 Prayer/ Request:

8.1 The Authority is requested to allow the adjustment/indexation of Distribution/Supply Margin for the CY 2027 along with Prior Year Adjustments till FY 2025-26.

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

With best regards,

(Muhammad Aamer)
Chief Executive Officer
FESCO, Faisalabad

ANNEX-A

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
O&M Indexation for FY 2027 & FY 2028

(Rs. in Million)

A/c Head	FY 2026-27			FY 2027-28		
	Projected			Projected		
	DoP	SoP	Total	DoP	SoP	Total
Salaires, Wages & Employee Benefits	17,119	6,015	23,134	18,897	6,664	25,561
Post Retirement Benefits	13,089	4,599	17,688	13,855	4,868	18,723
Repair & Maintenance	1,291	75	1,366	1,367	79	1,446
Travelling Expense	502	176	678	531	187	718
Transportation Expense	1,124	30	1,154	1,190	32	1,222
Other Expense	1,760	618	2,378	1,862	654	2,517
Total O&M	**34,885**	**11,513**	**46,398**	**37,703**	**12,484**	**50,187**

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
OPERATION & MAINTENANCE (O&M) COST

(Rs: In Million)

A/c Head	A/c Description	FY 2026-27	FY 2027-28
	PAY & ALLOWANCES		
8030000	Basic Pay	7,304.000	7,520.000
8030001	Cash Medical Allowance	154.892	154.892
8030002	Conveyance Allowance	560.000	560.000
8030003	Deputation Pay	3.996	4.112
8030004	Dual Charge Allowance	12.753	13.125
8030005	Entertainment Allowance	0.458	0.458
8030006	Group Life Insurance	1.607	1.607
8030007	House Rent Allowance	304.552	304.552
8030008	Job Allowance	397.868	397.868
8030009	Livery Allowance	7.149	7.149
8030010	Local Compensatory/ WAPDA Allowance	4.600	4.600
8030011	Officiating/Personal Special Pay	37.740	38.841
8030012	H/Q Allowance	124.000	127.617
8030013	Off Day Wages	790.000	813.042
8030014	Personal/Engineering Allowance	30.720	30.720
8030015	Qualification Pay/Technical Pay	3.635	3.635
8030016	Senior Post Allowance	0.202	0.202
8030017	Shift Allowance	8.363	8.363
8030022	Overtime Pay	24.000	24.700
8030023	Daily Wages Labour	40.185	44.204
8030024	MISC. Allowance	1.011	1.011
8030025	Bonus/Honorarium	608.667	719.310
8030026	Computer/ERP Allowance	12.100	12.100
8030027	Basic Salary-Consultant	1.000	1.000
8030028	Appointment Allowance	0.360	0.360
8030029	Orderly Allowance	6.400	6.400
8030030	Transport Subsidy	3.043	3.043
8030032	P&D Allowance	0.194	0.200
8030033	DCC Allowance	0.891	0.917
8030034	CPC Allowance	2.384	2.453
8030036	CEO/CFO/SECY Allowance	4.724	4.724
8030037	Integrated Allowance	75.749	75.749
8030040	Meter Reading Allowance beyond yardstick	466.885	490.230
8030042	Third Party Staff (BDs & S/Guards)	362.784	417.201
8030043	MIRAD Allowance	13.740	14.141
8030044	Lump Sum Pay-Officers	240.668	2,135.023
8030045	Special Allowance-TS	3.374	3.374
8030211	Disparity Reduction Allowance @ 25%	791.469	791.469
8030213	Disparity Reduction Allowance-2022 @ 15%	496.725	496.725
8030215	Adhoc Relief 2023- @ 35/30%	1,778.571	1,778.571
8030216	Adhoc Relief 2024- @ 35%	1,737.821	1,737.821
8030218	Disparity Reduction Allowance-2025 @ 30%	986.934	986.934
8030219	Adhoc Relief 2026 @ 7%	522.900	526.400
8030220	Disparity Reduction Allowance-2026 @ 15%	496.725	496.725
8030221	Adhoc Relief 2027- @ 20%	-	1,504.000
	SUB TOTAL:	**18,425.840**	**22,265.568**
	EMPLOYEE BENEFITS		
8030301	Free Supply FESCO-CP91	1,397.000	1,607.000
8030302	Free Supply Reimbursement	0.858	1.000
8030303	Free Supply-Other Companies-Dr. Notes	77.800	90.000
8030305	Bereavement-Funerals	4.000	4.000
8030306	Sports and Recreation	108.939	114.386
8030308	Medical & Hospitalization Expenses	240.000	264.000
8030310	Education & Training Expenses-Outsourced	65.000	68.250
8030311	Education & Training Expenses-Employees	55.000	58.000
8030312	Residential Telephone	1.550	1.600
8030313	Incentive	110.000	112.200

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
OPERATION & MAINTENANCE (O&M) COST

(Rs: In Million)

A/c Head	A/c Description	FY 2026-27	FY 2027-28
8030314	Standard Rent	10.590	10.590
8030315	Refreshment Charges	1.790	2.000
8030316	Prorata Medical Expenses	632.861	664.504
8030330	Family Assistance Expense	209.811	220.301
8030340	Internship (CSR)	50.000	50.000
	SUB TOTAL:	**2,965.198**	**3,267.830**
	PM ASSISTANCE PACKAGE		
8030350	Lump Sum Grant under PM Package	18.500	18.500
8030351	Marriage Grant under PM Package	2.160	2.160
8030352	House Rent Allowance under PM Package	6.043	6.043
8030353	Scholarship under PM Package	0.500	0.500
	SUB TOTAL	**27.202**	**27.202**
	New Recruitment	1,715.760	-
TOTAL-SALARIES, WAGES & EMPLOYEE BENEFITS		**23,134.000**	**25,560.600**
	SHARE IN FUND CONTRIBUTION		
8030317	Pension Fund Expenses	14,769.120	15,633.409
8030318	Leave Encashment Benefits	209.003	221.234
8030319	Medical Facilities to Retired Employees	734.881	777.886
8030320	Free Electy: Supply to Retired Employees	1,975.205	2,090.794
	SUB TOTAL	**17,688.209**	**18,723.323**
	R&M OF BUILDING CIVIL WORKS		
8040001	R&M-Offices-Ordinary	66.200	70.093
8040005	R&M-Other Building (Operating)-Ordinary	4.550	4.818
	SUB TOTAL	**70.750**	**74.911**
	R&M OTHER PHY: PROPERTY		
8040011	R&M-Residential Building Repair - Ordinary	72.000	76.233
8040013	R&M-Rest Houses Repair - Ordinary	1.800	1.906
8040017	R&M-Mosque Repair - Ordinary	2.810	2.976
	SUB TOTAL	**76.610**	**81.115**
	R & M OF GENERAL PLANT		
8040050	Repair & Maint-Computers	63.200	66.916
8040051	Repair & Maint-Office Equipments	11.000	11.646
8040052	Repair & Maint-Tonners, Ribbons, Cartidges	4.800	5.082
8040070	Repair & Maint-Furniture and Fixtures	3.200	3.388
8040071	Repair & Maint-Store Equiptment-Without Quotation	0.021	0.022
8040090	Repair & Maint-Lab Equipment-Without Quotation	0.027	0.028
8040092	Repair & Maint-Lab Equipment-Others	0.525	0.556
8040113	Repair & Maint-Comm.Equipment-Others	0.016	0.017
8040131	Repair & Maint-Arms & Ammunition-W/O Quotation	0.114	0.121
8040133	Repair & Maint-Arms & Ammunition-Others	0.030	0.032
8040141	Repair & Maint-Misc Equipment-Without Quotation	1.500	1.588
8040142	Repair & Maint-Misc Equipment-Spare Parts	0.100	0.106
8040143	Repair & Maint-Misc Equipment-Others	0.100	0.106
8040151	Repair & Maint-Fire Safety Equip-Without Quotation	0.860	0.911
8040152	Repair & Maint-Fire Safety Equip-Spare Parts	0.200	0.211
8040153	Repair & Maint-Fire Safety Equip-Others	0.100	0.105
	SUB TOTAL	**85.791**	**90.835**
	R&M OF DISTRIBUTION PLANT		
8040201	Repair & Maint-Dist. Transformers	5.000	5.294
8040211	Repair & Maint-Grid Stations Equipments-132KV	422.000	446.813
8040212	Repair & Maint-Grid Stations Equipments-66KV	15.100	15.988
8040221	Repair & Maint-Transmission Lines-132KV	100.000	105.880
8040222	Repair & Maint-Transmission Lines-66KV	4.900	5.189
8040223	Repair & Maint-Distribution Lines-11KV	360.000	381.167
8040225	Repair & Maint-Low Tension Lines-440V	58.500	61.939
8040226	Repair & Maint-Low Tension Lines-220KV	26.250	27.793
8040231	Repair & Maint-Meters	3.400	3.600
8040241	Repair & Maint-Service Drops	6.300	6.671

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
OPERATION & MAINTENANCE (O&M) COST

(Rs: In Million)

A/c Head	A/c Description	FY 2026-27	FY 2027-28
8040251	Repair & Maint-Capacitors	1.040	1.101
8040281	Line T&P Consumeables	130.359	138.024
	SUB TOTAL	**1,132.849**	**1,199.460**
TOTAL-REPAIR & MAINTENANCE		**1,366.000**	**1,446.321**
	RENT RATES & TAXES		
8060100	Rent Expenses	41.000	43.400
8060200	Taxes and Licenses	0.500	0.530
	SUB TOTAL	**41.500**	**43.930**
	POWER, LIGHT & WATER		
8070100	Power & Light	242.000	256.200
8070200	Hot/Cold Weather Charges	-	-
	SUB TOTAL	**242.000**	**256.200**
	COMMUNICATION EXPENSE	-	
8070300	Telephone Expenses	50.000	52.900
8070400	Postage and Courier	7.800	8.250
8070401	Purcahse of Postage Stamps	0.400	0.423
	SUB TOTAL	**58.200**	**61.574**
	OFFICE SUPPLIES & OTHER EXP.	-	
8080101	MIS Consumeable Material	179.000	189.525
8080125	Stationery Expenses-With Quotation	33.000	34.900
8080126	Stationery Expenses-Without Quotation	4.150	4.394
8080127	Printing Charges	8.800	9.300
8080128	Copying and Translation Charges	33.200	35.100
8080129	Binding Work Expenses	1.800	1.900
	SUB TOTAL	**259.950**	**275.118**
8090100	Stores Handling Expenses	0.210	0.222
8090200	Advertising and Publicity	70.000	74.100
8090403	Other Expenses	16.300	17.200
8090404	Entertainment Expense	0.850	0.900
8090405	Consumable Items for Meter Reader	58.815	62.200
8100101	Daily News Papers & Periodicals	0.200	0.211
	TRAVELLING EXPENSE	-	-
8110100	Travelling Expenses	612.000	647.986
8110200	Transfer/Retirement TA/DA	30.000	31.764
8110300	Sports Travelling Allowance-Players	36.000	38.116
	SUB TOTAL	**678.000**	**717.866**
8120100	Professional Fee	-	-
8120200	Legal Fee	63.600	67.300
8120300	Audit Fee	4.200	4.400
8120400	Consultancy Fee	360.600	381.600
8120450	Internet Services for AMI Meters	180.000	190.500
8120500	Software License fee	177.500	187.900
	SUB TOTAL	**785.900**	**831.700**
	VEHICLE EXPENSE	-	-
8130100	Vehicle Expenses-Repairs	80.000	84.704
8130150	Vehicle Expenses-Purchase of Tyres & Tubes	42.000	44.470
8130200	Vehicle Expenses-Fuel and Oil	1,019.000	1,078.917
8130300	Vehicle Expenses-Licenses and Insurance	13.000	13.765
	SUB TOTAL	**1,154.000**	**1,221.855**
8135000	Management Fee	80.000	84.700
8137000	NEPRA Fee	224.224	237.400
8140200	Bank Charges	3.000	3.150
8150000	Directors' Fee	55.000	58.000
8150200	Bills Collection Expenses	450.350	476.800
8150300	Injuries & Damages	25.800	27.300
8150400	Insurance Expenses	5.700	6.035
TOTAL-OTHER O&M		**4,210.000**	**4,456.464**
GRAND TOTAL		**46,398**	**50,187**

Faisalabad Electric Supply Company Limited
Distribution Margin Recovery For FY 2025-26

Annex-B

(PKR Million)

Month	Unit Purchased	T&D Losses	Standard Unit Sold	Incremental Unit Sold	Net Units	DM Rate	Amount
July-25 (Old)	584	8.38%	535	0	535	3.59	**1,920**
July-25 (new)	1,229	8.03%	1,131	0	1,131	3.80	**4,296**
Aug-25	1,881	8.03%	1,730	0	1,730	3.80	**6,574**
Sep-25	1,625	8.03%	1,495	0	1,495	3.80	**5,681**
Oct-25	1,310	8.03%	1,204	0	1,204	3.80	**4,577**
Nov-25	998	8.03%	917	0	917	3.80	**3,486**
Dec-25	992	8.03%	912	125	787	3.80	**2,991**
Jan-26 (Old)	216	8.03%	198	5	194	3.80	**737**
Jan-26 (New)	841	8.03%	774	133	641	4.01	**2,570**
Feb-26	948	8.03%	871	122	750	4.01	**3,007**
Mar-26	1,161	8.03%	1,068	85	983	4.01	**3,941**
Apr-26	1,233	8.03%	1,134	113	1,020	4.01	**4,091**
May-26	1,583	8.03%	1,456	87	1,369	4.01	**5,490**
Jun-26	1,702	8.03%	1,566	105	1,461	4.01	**5,857**
Total	**16,303**		**14,991**	**775**	**14,217**		**55,218**

Faisalabad Electric Supply Company (FESCO)
Minimum Tax Paid during FY 2025-26 **Annex-C**

Rs.Million

CPR No.	Tax Period	Date	Tax Paid
IT20250925-0101-1653524	2026	25-09-2025	1,560
IT20251224-0101-1793004	2026	24-12-2025	1,350
IT20260319-0101-1446704	2026	19-03-2026	720
IT20260327-0101-1555501	2026	27-03-2026	707
IT20260327-0101-1555542	2026	27-03-2026	883
IT20260327-0101-1555543	2026	27-03-2026	79
IT20260327-0101-1555605	2026	27-03-2026	681
IT20260615-0101-1443402	2026	15-06-2026	1,450
Total			**7,430**

INCOME TAX DEPARTMENT

COMPUTERIZED PAYMENT RECEIPT (CPR - IT)

SBP Banking Services Corporation — **Alternative Delivery Channel - ADC (0101) : ISLAMABAD**

CPR No : **IT-20250925-0101-1653524**

Payment Section : 147 - Advance Income Tax - 9202
Nature of Payment : Advance Income Tax
Account Head(NAM) : B01131

Payment Date : 25-Sep-2025
RTO/LTO : LTO MULTAN
Tax Period : 2026

Details of Tax Payer

NTN / CNIC : 3048930-0 / 0038923
Status :
Taxpayer/Business : FAISALABAD ELECTRIC SUPPLY COMPANY
Name & Address : FAISALABAD ELECTRIC SUPPLY COMPANY , FINANCE DIRECTOR OFFICE ABDULLAHPUR CANAL ROAD

Tax Amount : 1,560,000,000

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

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	1,560,000,000	25-Sep-2025		

IT-20250925-0101-1653524

FBR ADC 0101

Signature & Stamp of Manager / Authorized officer

Af

INCOME TAX DEPARTMENT

COMPUTERIZED PAYMENT RECEIPT (CPR - IT)

SBP Banking Services Corporation **Alternative Delivery Channel - ADC (0101) : ISLAMABAD**

CPR No	**: IT-20251224-0101-1793004**	**Payment Date**	: 24-Dec-2025
Payment Section	: 147 - Advance Income Tax - 9202	**RTO/LTO**	: LTO MULTAN
Nature of Payment	: Advance Income Tax	**Tax Period**	: 2026
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	: 1,350,000,000

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

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	1,350,000,000	24-Dec-2025		

IT-20251224-0101-1793004

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-20260319-0101-1446704**	**Payment Date**	: 19-Mar-2026
Payment Section	: 147 - Advance Income Tax - 9202	**RTO/LTO**	: LTO MULTAN
Nature of Payment	: Advance Income Tax	**Tax Period**	: 2026
Account Head(NAM)	: B01131		

Details of Tax Payer

NTN / CNIC	: 3048930-0 / 0038923	**Status**	:
Taxpayer/Business	: FAISALABAD ELECTRIC SUPPLY COMPANY		
Name & Address	: FAISALABAD ELECTRIC SUPPLY COMPANY , FINANCE DIRECTOR OFFICE ABDULLAHPUR CANAL ROAD		
		Tax Amount	: 720,000,000

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

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	720,000,000	19-Mar-2026		

IT-20260319-0101-1446704

FBR ADC 0101

Signature & Stamp of Manager / Authorized officer

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INCOME TAX DEPARTMENT

COMPUTERIZED PAYMENT RECEIPT (CPR - IT)

SBP Banking Services Corporation **Alternative Delivery Channel - ADC (0101) : ISLAMABAD**

CPR No : **IT-20260327-0101-1555501**

Payment Date : 27-Mar-2026

Payment Section : 137 - Demanded Income Tax - 9204

RTO/LTO : LTO MULTAN

Nature of Payment : Demanded Income Tax

Tax Period : 2022

Account Head(NAM) : B01131

Details of Tax Payer

NTN / CNIC : 3048930-0 / 0038923

Status :

Taxpayer/Business : FAISALABAD ELECTRIC SUPPLY COMPANY

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

Tax Amount : 707,242,705

Amount of Tax in Words : Seven Hundred Seven Million Two Hundred Forty Two Thousand Seven Hundred Five Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	707,242,705	27-Mar-2026		

IT-20260327-0101-1555501

FBR ADC 0101

Signature & Stamp of Manager / Authorized officer

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INCOME TAX DEPARTMENT

COMPUTERIZED PAYMENT RECEIPT (CPR - IT)

SBP Banking Services Corporation | **Alternative Delivery Channel - ADC (0101) : ISLAMABAD**

CPR No	**: IT-20260327-0101-1555542**	**Payment Date**	: 27-Mar-2026
Payment Section	: 137 - Demanded Income Tax - 9204	**RTO/LTO**	: LTO MULTAN
Nature of Payment	: Demanded Income Tax	**Tax Period**	: 2020
Account Head(NAM)	: B01131		

Details of Tax Payer

NTN / CNIC	: 3048930-0 / 0038923	**Status**	:
Taxpayer/Business	: FAISALABAD ELECTRIC SUPPLY COMPANY		
Name & Address	: FAISALABAD ELECTRIC SUPPLY COMPANY , FINANCE DIRECTOR OFFICE ABDULLAHPUR CANAL ROAD		
		Tax Amount	: 882,698,766

Amount of Tax in Words : Eight Hundred Eighty Two Million Six Hundred Ninety Eight Thousand Seven Hundred Sixty Six Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	882,698,766	27-Mar-2026		

IT-20260327-0101-1555542

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-20260327-0101-1555543**

Payment Date : 27-Mar-2026

Payment Section : 137 - Demanded Income Tax - 9204

RTO/LTO : LTO MULTAN

Nature of Payment : Demanded Income Tax

Tax Period : 2018

Account Head(NAM) : B01131

Details of Tax Payer

NTN / CNIC : 3048930-0 / 0038923

Status :

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

Tax Amount : 78,797,477

Amount of Tax in Words : Seventy Eight Million Seven Hundred Ninety Seven Thousand Four Hundred Seventy Seven Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	78,797,477	27-Mar-2026		

IT-20260327-0101-1555543

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-20260327-0101-1555605**	**Payment Date**	: 27-Mar-2026
Payment Section	: 137 - Demanded Income Tax - 9204	**RTO/LTO**	: LTO MULTAN
Nature of Payment	: Demanded Income Tax	**Tax Period**	: 2014
Account Head(NAM)	: B01131		

Details of Tax Payer

NTN / CNIC	: 3048930-0 / 0038923	**Status**	:
Taxpayer/Business	: FAISALABAD ELECTRIC SUPPLY COMPANY		
Name & Address	: FAISALABAD ELECTRIC SUPPLY COMPANY , FINANCE DIRECTOR OFFICE ABDULLAHPUR CANAL ROAD		
		Tax Amount	: 681,261,052

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

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	681,261,052	27-Mar-2026		

IT-20260327-0101-1555605

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-20260615-0101-1443402**

Payment Date : 15-Jun-2026

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTO : LTO MULTAN

Nature of Payment : Advance Income Tax

Tax Period : 2026

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 : 1,450,000,000

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

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	1,450,000,000	15-Jun-2026		

IT-20260615-0101-1443402

FBR ADC 0101

Signature & Stamp of Manager / Authorized officer

FAISALABAD ELECTRIC SUPPLY COMPANY (FESCO)
SALES MIX VARIANCE FOR FY 2024-25

Annex-D

PKR Million

Month	Units Sold	Revenue as per Actual Mix			Revenue as per NEPRA MIX			Consumer Mix Variance		
	GWh	Fixed Charge	Variable Charge	Total	Fixed Charge	Variable Charge	Total	Fixed Charge	Variable Charge	Total
July-24 (Old)	504	32	12,722	**12,755**	389	13,615	**14,004**	356	893	**1,249**
July-24 (New)	1,037	3,187	34,855	**38,042**	2,444	34,165	**36,609**	(743)	(690)	**(1,433)**
Aug-24	1,555	3,045	53,739	**56,784**	3,662	51,205	**54,868**	617	(2,534)	**(1,916)**
Sep-24	1,460	2,929	49,679	**52,608**	3,440	48,091	**51,531**	511	(1,587)	**(1,077)**
Oct-24 (Old)	432	749	15,340	**16,089**	1,018	14,230	**15,248**	269	(1,110)	**(842)**
Oct-24 (New)	890	2,730	28,735	**31,465**	2,097	29,317	**31,413**	(633)	582	**(52)**
Nov-24	1,009	2,703	32,488	**35,192**	2,377	33,240	**35,617**	(326)	751	**425**
Dec-24	831	2,664	25,863	**28,527**	1,957	27,358	**29,315**	(707)	1,495	**788**
Jan-25	809	2,185	25,348	**27,533**	1,906	26,647	**28,553**	(280)	1,299	**1,020**
Feb-25	751	2,659	23,478	**26,138**	1,770	24,743	**26,512**	(890)	1,264	**375**
Mar-25	875	2,687	27,076	**29,764**	2,061	28,823	**30,884**	(626)	1,746	**1,120**
Apr-25 (Old)	307	74	10,304	**10,377**	723	10,103	**10,826**	649	(201)	**448**
Apr-25 (New)	855	-	27,008	**27,008**	2,013	28,144	**30,157**	2,013	1,137	**3,150**
May-25	1,413	2,957	46,411	**49,368**	3,328	46,526	**49,853**	371	114	**485**
Jun-25	1,609	3,131	54,493	**57,624**	3,790	52,988	**56,778**	659	(1,505)	**(846)**
Total	**14,337**	**31,734**	**467,539**	**499,272**	**32,973**	**469,195**	**502,167**	**1,239**	**1,656**	**2,895**

FAISALABAD ELECTRIC SUPPLY COMPANY (FESCO)
SALES MIX VARIANCE FOR FY 2025-26

Annex-D

PKR Million

Month	Units Sold	Revenue as per Actual Mix			Revenue as per NEPRA MIX			Consumer Mix Variance		
	GWh	Fixed Charge	Variable Charge	Total	Fixed Charge	Variable Charge	Total	Fixed Charge	Variable Charge	Total
July-25 (Old)	513	834	18,558	**19,392**	1,208	16,886	**18,094**	374	(1,672)	**(1,298)**
July-25 (New)	1,080	3,009	31,533	**34,543**	2,457	32,830	**35,287**	(552)	1,296	**744**
Aug-25	1,726	3,213	53,141	**56,354**	3,928	52,483	**56,411**	715	(658)	**57**
Sep-25	1,524	3,112	46,392	**49,504**	3,469	46,354	**49,823**	357	(38)	**319**
Oct-25	1,342	3,015	39,495	**42,510**	3,054	40,801	**43,854**	38	1,306	**1,344**
Nov-25	1,062	2,893	29,430	**32,322**	2,416	32,286	**34,702**	(476)	2,856	**2,380**
Dec-25	810	2,608	22,330	**24,939**	1,843	24,621	**26,463**	(766)	2,290	**1,525**
Jan-26 (Old)	195	668	6,393	**7,061**	445	5,942	**6,386**	(223)	(451)	**(674)**
Jan-26 (New)	647	2,802	16,942	**19,744**	1,542	19,143	**20,685**	(1,260)	2,201	**941**
Feb-26 (old)	476	1,561	15,548	**17,109**	1,135	14,089	**15,224**	(426)	(1,459)	**(1,885)**
Feb-26 (New)	322	1,834	8,074	**9,908**	1,264	9,027	**10,291**	(570)	953	**383**
Mar-26 (Old)	24	573	826	**1,399**	57	705	**762**	(516)	(120)	**(637)**
Mar-26 (New)	870	2,838	25,653	**28,491**	3,416	24,402	**27,818**	577	(1,251)	**(673)**
Apr-26	986	2,965	30,024	**32,989**	3,870	27,650	**31,520**	906	(2,374)	**(1,468)**
May-26	1,224	2,979	36,764	**39,743**	4,806	34,337	**39,144**	1,827	(2,426)	**(600)**
Jun-26	1,444	3,026	43,929	**46,955**	5,670	40,508	**46,178**	2,644	(3,421)	**(777)**
Total	**14,244**	**37,930**	**425,031**	**462,961**	**40,578**	**422,063**	**462,642**	**2,648**	**(2,968)**	**(320)**

FAISALABAD ELECTRIC SUPPLY COMPANY (FESCO)

Annex-E

4th Quarter AQTA for FY 2024-25

Month	Units Purchases	T&D Losses	Standard Units Sold	Life Line Units	Net Units	AQTA Rate	Amount
Aug-25	1,280,932,148	8.03%	1,178,073,296	838,826	1,177,234,470	(3.6650)	(4,314,564,333)
Sep-25	1,583,685,734	8.03%	1,456,515,770	1,496,064	1,455,019,706	(3.6650)	(5,332,647,221)
Oct-25	1,263,675,740	8.03%	1,162,202,578	1,343,436	1,160,859,142	(3.6650)	(4,254,548,756)
Nov-25	252,644,849	8.03%	232,357,468	591,961	231,765,507	(3.6650)	(849,420,582)
Total	**4,380,938,471**		**4,029,149,111**	**4,270,287**	**4,024,878,824**		**(14,751,180,892)**
						Passes on by FESCO	**(14,751)**
						Determined Amount	**(15,589)**
						Less Passed On	**(838)**

FAISALABAD ELECTRIC SUPPLY COMPANY (FESCO)
1st Quarter AQTA for FY 2025-26

Month	Units Purchases	T&D Losses	Standard Units Sold	Life Line Units	Net Units	AQTA Rate	Amount
Dec-25	649,836,318	8.03%	597,654,462	306,823	597,347,639	0.2666	159,252,880
Jan-26	1,033,037,603	8.03%	950,084,683	729,014	949,355,669	0.2666	253,098,221
Feb-26	909,168,274	8.03%	836,162,062	769,307	835,392,755	0.2666	222,715,708
Mar-26	221,748,834	8.03%	203,942,403	479,419	203,462,984	0.2666	54,243,232
Total	**2,813,791,029**		**2,587,843,610**	**2,284,563**	**2,585,559,047**		**689,310,042**

Recovered by FESCO	**689**
Determined Amount	**652**
Excess Recovered	**(37)**

FAISALABAD ELECTRIC SUPPLY COMPANY (FESCO)
2nd Quarter AQTA for FY 2025-26

Month	Units Purchases	T&D Losses	Standard Units Sold	Life Line Units	Net Units	AQTA Rate	Amount
Mar-26	793,364,202	8.03%	729,657,056	532,410	729,124,646	0.5274	384,540,339
Apr-26	1,168,695,584	8.03%	1,074,849,329	1,256,090	1,073,593,239	0.5274	566,213,074
May-26	1,517,309,835	8.03%	1,395,469,855	1,510,777	1,393,959,078	0.5274	735,174,018
Jun-26	495,988,956	8.03%	456,161,043	934,432	455,226,611	0.5274	240,086,515
Total	**3,479,369,621**		**3,199,976,240**	**4,233,709**	**3,196,676,963**		**1,926,013,945**
						Recovered by FESCO	**1,926**
						Determined Amount	**1,952**
						Less Recovered	**26**

Original Cost Working as on 30.06.2026 (Un-Audited)

Annex-F

Description	Cost as on 01.07.2025	Addition	Deletion	Total Cost as on 30.06.2026	DEP as on 01.07.2025	DEP on Opening	DEP on addition	DEP for the Year	Acc. Depreciation on Retired Assets	DEP as on 30.06.2026	Impairment	Book value as on 30.06.2026
Land - freehold	1,196,662,834	-	-	1,196,662,834	-	-	-	-	-	-	-	1,196,662,834
Building on freehold land	6,085,986,658	998,052,034	-	7,084,038,692	1,106,520,609	121,719,733	7,410,830	129,130,563	-	1,235,651,172	(315,364,734.00)	5,533,022,787
Feeders (up to 11 kv)	107,716,020,551	18,099,807,572	(1,977,976,794.75)	123,837,851,328	33,478,909,759	3,770,060,719	195,192,734	3,965,253,453	449,255,404	36,994,907,808	-	86,842,943,520
Grids and equipment	42,149,033,991	4,464,264,188	(501,179,962.99)	46,112,118,215	11,084,580,879	1,475,216,190	36,502,714	1,511,718,904	40,010,458	12,556,289,325	-	33,555,828,891
TOTAL	**157,147,704,034**	**23,562,123,793**	**(2,479,156,758)**	**178,230,671,070**	**45,670,011,246**	**5,366,996,642**	**239,106,278**	**5,606,102,920**	**489,265,862**	**50,786,848,305**	**(315,364,734)**	**127,128,458,031**
T&P	1,854,573,428	728,209,259	(819,544)	2,581,963,143	1,031,644,701	-	185,286,554	185,286,554	194,736	1,216,736,519	-	1,365,226,624
Vehicles	1,903,080,859	286,750,752	(18,630.875)	2,171,200,736	1,108,797,876	-	125,549,953	125,549,953	18,630,875	1,215,716,954	-	955,483,782
G.TOTAL	**160,905,358,321**	**24,577,083,804**	**(2,498,607,177)**	**182,983,834,948**	**47,810,453,823**	**5,366,996,642**	**549,942,785**	**5,916,939,427**	**508,091,473**	**53,219,301,778**	**(315,364,734)**	**129,449,168,437**

Faisalabad Electric Supply Company (FESCO)
Calculation for Return on Rate Base (RORB) **Annexure-G**

Description	FY 2024-25	FY 2025-26
	Audited	Un-Audited
Gross Fixed Assets in Operation – Op. Balance	140,562	160,905
Add: Addition/Transfer in Fixed Assets (Net)	20,343	24,577
Fixed Assets in Operation – Closing Balance	**160,905**	**185,482**
Less: Accumulated Depreciation	(47,810)	(53,219)
Net Fixed Assets in Operation	**113,095**	**132,263**
Add: Assets Under Construction(AUC) – Cl.Balance	24,674	19,974
Total Fixed Assets	**137,769**	**152,237**
Less: Deferred Credits	47,480	55,090
Regulatory Assets Base	**90,289**	**97,147**
Average Regulatory Assets Base (RAB)	**84,230**	**93,718**
WACC	**17.05%**	**13.54%**
RORB = RAB * WACC	**14,361**	**12,689**

Faisalabad Electric Supply Company Limited

Prior Year Adjustment (PYA) Recovery For FY 2024-25

Annex-H

(PKR Million)

Month	Unit Purchased	T&D Losses	Standard Unit Sold	Incremental Unit Sold	Net Units	PYA Rate	Amount
Jul-24(Old)	597	8.74%	544	0	544	0.00	**0**
Jul-24(New)	1,229	8.38%	1,126	0	1,126	1.71	**1,925**
Aug-24	1,653	8.38%	1,515	0	1,515	1.71	**2,590**
Sep-24	1,573	8.38%	1,441	0	1,441	1.71	**2,464**
Oct-24	1,336	8.38%	1,224	0	1,224	1.71	**2,093**
Nov-24	941	8.38%	862	0	862	1.71	**1,474**
Dec-24	896	8.38%	821	34	787	1.71	**1,346**
Jan-25	909	8.38%	833	31	802	1.71	**1,371**
Feb-25	802	8.38%	735	26	709	1.71	**1,212**
Mar-25	1,044	8.38%	957	0	957	1.71	**1,636**
Apr-25	1,385	8.38%	1,269	0	1,269	1.71	**2,170**
May-25	1,682	8.38%	1,541	0	1,541	1.71	**2,636**
Jun-25	1,790	8.38%	1,640	0	1,640	1.71	**2,804**
Total	**15,837**		**14,508**	**91**	**14,417**		**23,722**

~~Annex-A~~ Annex-I

No. 14/11/2018-DISCO-I
GOVERNMENT OF PAKISTAN
MINISTRY OF ENERGY
(POWER DIVISION)
<><><>

Islamabad, the 11th October, 2024.

Subject: **BOOKING OF SUPPLEMENTAL CHARGES IN BOOKS OF ACCOUNTS.**

I am directed to refer to the subject noted above and to state that DISCOs as per agreement with CPPA-G are required to book the expenditure on supplemental charges in their books of accounts. Due to omission on part of DISCOs, a liability has erected which is required to be resolved on immediate basis. In view of the above, the DISCOs are requested to ensure resolution of the aforementioned issue in coordination with CPPA-G as per terms of agreement and book the aforementioned expenditure in their books of accounts.

(Usama Hasan)
Section Officer (DISCOs)
Tele: 051-9103996

Distribution:

1. All CEOs DISCOs

Copy to:

1. The Chairmen Board of Directors of all DISCOs.
2. SPS to the Additional Secretary-I, Ministry of Energy (Power Division), Islamabad.

Annex-J

FAISALABAD ELECTRIC SUPPLY COMPANY

OFFICE OF THE CHIEF EXECUTIVE OFFICER FESCO, WEST CANAL ROAD, ABDULLAHPUR, FAISALABAD (TEL # 041-9220211/9220229 FAX # 041-9220233)

FESCO

Web: http://www.fesco.com.pk *E-mail: secretary@fesco.com.pk*

COMPANY SECRETARIAT

No.5023/Secy/M.O.M *Dated: 29.07.2025*

MINUTES OF 311TH/25TH MEETINGOF BOD FESCO HELD ON 15.07.2025 IN THE COMMITTEE ROOM OF FESCO HEADQUARTERS FAISALABAD

PRESENT

1.	Mr. Omer Farooq Khan	Chairman	(Participated Through Video Link)
2.	Ms. Zoe Khurshid Khan	Director	
3.	Engr. Pervaiz Iqbal	Director	
4.	Mr. Amir Zia	Director	
5.	Ms. Lubna Usman	Director	
6.	Mr. Umer Azmatullah	Director	
7.	Mr. Adil Bashir	Director	
8.	Mr. Hassan Raza Saeed	Director	
9.	Mr. Muhammad Aamer	CEO / Director	

PROCEEDINGS OF MEETING

The meeting commenced with the recitation of verses from the "Holy Quran". Mr. Omer Farooq Khan chaired the meeting, and the Company Secretary confirmed the quorum for the meeting.

Agenda-1 TO CONSIDER AND APPROVE THE MINUTES OF 310TH/24TH MEETING OF BOD SCHEDULED TO BE HELD ON 04.07.2025

Company Secretary FESCO apprised that minutes of meeting were submitted to honorable Chairman BOD for his kind perusal and approval. He requested the Board of Directors to approve the Minutes for issuance. The Chairman invited comments and input from all Board Members on the minutes, there being no comment(s) from any Member, the Board unanimously approved the minutes of 310th/24th meeting.

Mr. Omar Farooq Khan, Chairman reiterated that an important matter was discussed in which a report was required from FESCO management, that was not submitted. In response, the CEO FESCO replied that the report was ready. Mr. Omar Farooq Khan, Chairman emphasized that this matter was referred to the Audit Committee and the CEO FESCO, and it should be investigated to confirm whether PPRA rules were followed. He directed that the report should be shared promptly. The CEO FESCO assured that the report would be shared by the end of the day.

Resolution-311– BOD-R1:

BOD resolved and approved the Minutes of 310th/24th meeting of BOD held on 04.07.2025 for issuance and compliance.

Agenda-2 TO CONSIDER / DELIBERATE AND ACCORD APPROVAL OF BOOKING OF SUPPLEMENTAL CHARGES UPTO JUNE 30, 2024 (RECOMMENDED BY AUDIT, FINANCE, INVESTIGATION, FINANCIAL RISK MANAGEMENT & INTERNAL CONTROL COMMITTEE)

CFO FESCO presented the agenda regarding seeking approval of booking of supplemental charges upto June 30, 2024 which was recommended by Audit, Finance, Investigation, Financial Risk Management & Internal Control Committee. CFO FESCO explained that until FY 2013-14, NEPRA did not allow for booking of supplementary charges invoiced by CPPA-G, so Rs. 6.186 billion remained un-booked for that period.

29/7

years. Overall accumulated loss of the Company would go up which the Govt. of Pakistan would adjust it with its part of equity.

In view of above discussion, BOD resolved & approved the agenda as under:-

Resolution-311– BOD-R2:   *BOD resolved and accorded approval for booking of supplemental charges amounting to Rs. 6.186 billion for the period before FY 2014-15 along with Rs. 8.921 billion accumulated beyond the LPS from FY 2014-15 till June 30, 2024 (Total Rs. 15.107 billion), on the recommendations of Audit, Finance, Investigation, Financial Risk Management & Internal Control Committee.*

Agenda-3 TO CONSIDER AND APPROVE THE FESCO'S CORPORATE BUDGET FOR THE FY 2025-26 (RECOMMENDED BY AUDIT, FINANCE, INVESTIGATION, FINANCIAL RISK MANAGEMENT & INTERNAL CONTROL COMMITTEE)

CFO FESCO presented the agenda and requested to approve the FESCO's Corporate budget for FY 2025-26. He apprised that the agenda has been recommended by Audit, Finance, Investigation, Financial Risk Management & Internal Control Committee.

Mr. Omer Farooq Khan, Chairman inquired why the agenda regarding FESCO's Corporate Budget was presented after June 30, 2025. He further pointed out that the budget should have been approved before June 30, 2025, which is the primary responsibility of the CFO and CEO. He emphasized that this matter should have been presented in the Audit Committee and approved by the Board in a timely manner, and the draft should have been shared with the Board well in advance. He further questioned the reason for the delay.

In response, CEO FESCO informed the Board that the budget was presented to the Audit Committee on June 17, 2025, and the minutes of the meeting were issued on June 24, 2025. The Chairman reiterated that as per the SOE Act, the budget should have been approved by June 30. He then requested Mr. Amir Zia to share his views on the matter. Mr. Amir Zia, Director stated that technically the budget should have been approved by June 30. However, considering the extremely busy schedule and the fact that FESCO, MEPCO, GEPCO, and LESCO are all actively engaged and well performed, so a delay of two weeks should be excused.

In response, the Chairman remarked that while this explanation is understood, it still constitutes a violation of the SOE Act, and the Board can be questioned on this matter. He further highlighted that the current year's budget is already delayed by two weeks, whereas the previous Board had approved the budget well before June 30 in the last year, specifically on June 24. He reiterated the importance of adhering to the standard norms and timelines prescribed for State-Owned Enterprises (SOEs). Chairman also showed his concerns on non-presenting of FESCO's business plan by DG MIRAD. CFO FESCO explained that FESCO prepare its O&M budget based on budget announced by the Govt. of Pakistan. The Govt. of Pakistan announced budget on 10.06.2025, accordingly the agenda was put up in Audit Committee on 17.06.2025. Chairman emphasized that it was the primary responsibility of the CFO to ensure timely approval. CFO FESCO stated that it will not happen in the future.

Mr. Omer Farooq Khan, Chairman reiterated to adhere the timelines for quarterly, half yearly and annual budget and accounts. He further directed Company Secretary FESCO to check that BOD Committees recommended the relevant portion of business plan or otherwise. Mr. Amir Zia, Director pointed out that Statement of Corporate Intent is also required to be approved by BOD for onward submission to MOE. Chairman replied that the SCI will be approved along with Business plan. Chairman requested Mr. Amir Zia and Mr. Pervaiz Iqbal for their valuable input.

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21\7

To Be Published in
Official Gazette of Pakistan Part-II

Annex - K

National Electric Power Regulatory Authority

NOTIFICATION

Islamabad, the August 7, 2020

S.R.O. 700 (I)/2020: – Pursuant to Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 as amended through Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act 2011, the National Electric Power Regulatory Authority makes and notifies the following adjustment in the approved tariff on account of variations in fuel charges for the months of November 2019 to June 2020 in respect of Ex-WAPDA Distribution Companies (XWDISCOs):

Rs./kWh

Description	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Actual FCC	3.4701	6.3381	6.8684	5.1760	5.1079	4.5319	3.7939	4.0550
Reference FCC	2.4877	4.4602	5.7576	3.9710	5.0010	5.2359	5.0457	5.1130
FCA for the Month	0.9824	1.8779	1.1108	1.2051	0.1069	(0.7040)	(1.2517)	(1.0581)

FCA Pertaining to	Charged in Consumer Bills to be issued in the Months of
January 2020, February 2020, March 2020 and May 2020	August 2020
November 2019, December 2019, April 2020 and June 2020	September 2020

2. In case of positive monthly FCAs, the same:
   a. Shall be applicable to all the consumer categories except lifeline consumers.
   b. Shall be shown separately in the consumers' bills on the basis of units billed to the consumers in the respective month to which the adjustment pertains.
   c. XWDISCOs shall reflect the fuel charges adjustment in respect of each month in the billing month as per the schedule given above.
3. Similarly, in case of negative FCA, the same:
   a. Shall be applicable to all the consumer categories except lifeline consumers, domestic consumers consuming up-to 300 units and Agriculture Consumers of all the XWDISCOs. It is hereby clarified that negative adjustment on account of monthly FCA is also applicable to the domestic consumers having Time of Use (ToU) meters irrespective of their consumption level.
   b. Shall be shown separately in the consumers' bills on the basis of units billed to the consumers in the respective month to which the adjustment pertains.

P - 1/2

c. XWDISCOs shall reflect the fuel charges adjustment in respect of each month in the billing month as per the schedule given above.

4. While affecting the Fuel Adjustment Charges, the concerned XWDISCOs shall keep in view and strictly comply with the orders of the courts notwithstanding this order.

7/8/20

(Iftikhar Ali Khan)
Registrar

FAISALABAD ELECTRIC SUPPLY COMPANY
(FESCO)

Ph: # 041-9220176
Fax: # 041-9220177
Email:- fescodc@yahoo.com

Office Of The
Chief Executive Officer
FESCO (WAPDA) Faisalabad

Annex – L

No. 1674 /CEx./M(CS)/DMC /G-16/FPA Dated: 06/12/2021

Joint Secretary (PF),
Ministry of Energy (Power Division),
A-Block, Pak Secretariat, Red Zone, Islamabad.

Subject:- NON CHARGING OF FUEL PRICE ADJUSTMENT TO CONSUMERS AMOUNTING TO RS.2090.348/- MILLION FOR THE PERIOD NOVEMBER-2019 TO JUNE-2020

It is submitted that Company Auditors M/S Riaz Ahmad and Co. (Chartered Accountants) has raised objection during the Audit of Chief Financial Office FESCO for FY 2020-21 regarding non implementation of notification issued by Registrar NEPRA vide No. 700(1)/2020 dated 07.08.2020 for charging of Fuel Price Adjustment (FPA) to the consumer for the period Nov-2019 to June-2020.

DG (IT) FESCO intimated vide his letter No.CCF/G-218/2389 dated 05.10.2021 that posting and reversal of Fuel Price Adjustment was made on PITC Lahore directive with reference to Ministry of Energy (Power Division) video link meeting dated 13.08.2021at 08:00 PM.

BOD FESCO in its 223rd/17th meeting dated 07.10.2021 has also directed to provide proper reason for non billing of FPA to consumers.

In view of above, it is requested to clarify the situation for satisfaction of Audit and BOD FESCO, please.

6/12/21
CE/Chief Commercial Officer,
FESCO, Faisalabad.

C.C.To
1. CEO (PITC) Lahore.
2. CFO FESCO Faisalabad (w.r.t. his office letter No. 2885 dated 21.10.2021) to pursue the matter and presentation before FESCO BOD(A&F Committee).
3. DG (IT) FESCO Computer Centre Faisalabad.
4. Company Secretary FESCO Faisalabad.
5. Director (CS) FESCO Faisalabad.
6. SO to CEO FESCO Faisalabad.

Annex - M

No.Tariff/XWDISCOS-2020
Government of Pakistan
Ministry of Energy
(Power Division)

Islamabad, the December 15, 2021

no
E/Chief Commercial Officer
ESCO
aisalabad

DIARY NO. 11028
DATED 21-12-21
HEADQUARTERS FESCO
Faisalabad

67-16 FPA

Subject: NON CHARGING OF FUEL PRICE ADJUSTMENT TO CONSUMERS AMOUNTING TO RS. 2698.348/- MILLION FOR THE PERIOD NOVEMBER-2019 TO JUNE-2020

Refer to Faisalabad Electric Supply Company letter No 1674/CEx./M(CS)/DMC-V-FPA dated 06-12-2021 on the above subject.

I am directed to State that ECC decision has been communicated to NEPRA and the same is being forwarded for your record and further action please.

(SYED MATEEN AHMED)
DS (T&S)/SO (Tariff)

Chief Commercial Office	
UO No. 224 Dt 21-12-21	
Dir. (CS)	
Dir. (MT&CM)	
Dir. (S&I)	
Dir. (CM)	
DD (CS)	
DD (CSC)	
AD (CSC)	
APS	

Discussed

Discussed

Scanned with CamScanner

Annex-N

No.Tariff/XWDISCOS-2020
Government of Pakistan
Ministry of Energy
(Power Division)
*****

Islamabad, the December 01, 2021

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

SUBJECT: DECISION OF THE AUTHORITY IN THE MATTER OF FUEL CHARGES ADJUSTMENT FOR THE MONTHS OF NOVEMBER 2019 TO JUNE 2020 FOR XWDISCOS ALONG WITH NOTIFICATION THEREOF

Reference to the Economic Coordination Committee (ECC) of the Cabinet decision in case no. ECC-383/37/2021 dated November 04, 2021 on the above subject. (Copy enclosed)

2. I am directed to state that ECC in its decision mentioned above has approved proposal (b) of the summary duly submitted by the Power Division on October 22, 2021. Proposal (b) is being reproduced as under:-

"Federal Government may issue guidelines to NEPRA and also require it to reconsider its decision dated August 07, 2020 to allow recovery of pending FCA of Rs. 17.15 billion as prior year adjustment in rebasing decision which are under process at NEPRA"

3. Above referred decision of ECC is hereby conveyed as policy guidelines for necessary implementation. Implementation report thereof may kindly be intimated for onward sharing as compliance reporting.

01/12/21

(SYED MATEEN AHMED)
DS (T&S)/SO (Tariff)

C.c.

Cabinet Division with reference to decision in case no. ECC-383/37/2021 dated November 04, 2021 as implementation report please.

Detail of FPA Not Charged on to Consumers

Annex-O

Month	FPA Rate	Amount
Nov-19	0.9824	879,400,655
Dec-19	1.8779	1,519,642,745
Jan-20	1.1108	861,167,784
Feb-20	1.2051	922,474,545
Mar-20	0.1069	160,054,114
Apr-20	(0.7040)	(200,831,003)
May-20	(1.2517)	(781,058,207)
Jun-20	(1.0581)	(662,502,494)
Total		**2,698,348,139**

Detail of FPA not Passed on to the Consumers for the period from Nov-2019 to June 2020									
Month	**Residential**	**Commercial**	**Industry**	**Bulk**	**Agricultural**	**Public Light**	**Res. Services**	**General Services**	**Total**
Nov-19	394,482,910	50,437,364	338,912,508	10,189,255	70,290,605	880,739	261,979	13,945,295	879,400,655
Dec-19	541,521,426	91,842,759	675,385,217	21,273,207	155,914,606	1,663,882	458,339	31,583,309	1,519,642,745
Jan-20	319,724,684	52,884,944	394,664,296	22,915,532	52,783,836	1,058,280	454,098	16,682,113	861,167,784
Feb-20	327,514,880	54,483,580	409,392,969	16,134,803	95,443,935	1,114,048	311,920	18,078,410	922,474,545
Mar-20	70,675,893	9,490,120	71,395,687	2,936,254	3,154,792	206,971	50,007	2,144,389	160,054,114
Apr-20	(113,083,318)	(10,816,773)	(46,033,781)	(2,785,425)	(24,105,329)	(187,333)	(74,805)	(3,744,238)	(200,831,003)
May-20	(455,525,845)	(33,243,043)	(191,128,566)	(13,177,431)	(76,279,486)	(580,006)	(312,281)	(10,811,550)	(781,058,207)
Jun-20	(382,026,989)	(31,861,167)	(186,596,602)	(14,683,767)	(38,041,351)	(406,189)	(284,324)	(8,602,106)	(662,502,494)
Total	**703,283,642**	**183,217,785**	**1,465,991,728**	**42,802,428**	**239,161,608**	**3,750,392**	**864,933**	**59,275,623**	**2,698,348,139**

Annex-F

Pakistan Water And Power Development Authority

Tel: 042-99202522, 99202211/609
Fax: 042-99202005

Office of the
General Manager Finance (P)
609-Wapda House, Lahore

No. /GMF(P)/MF(H.Q)/Accounts 1785

Dated: 18 /07/2025

Chief Financial Officer,
Faisalabad Electric Supply Company (FESCO),
West Canal Road, Abdullahpur, Faisalabad.

Sub: **RECEIVABLES FROM WAPDA ON ACCOUNT OF POST-RETIREMENT BENEFIT OBLIGATION OF WAPDA PENSIONER RETIRED ON OR BEFORE 01-07-1998**

Ref: Your Office Letter No.4172/FESCO/CFO/Compilation dated 03-06-2025 on the above subject

In this context, your claim of Rs.5,317.81 million for payment /settlement vide above referred letter has been examined in light of NEPRA tariff determination of FESCO for FY 2014-15 dated 10.03.2015, the main extracts are as under:

1. NEPRA at Para-13.3 principally decided that all cost of XWAPDA retired employees up to June 30, 2014 would be borne by WAPDA and any cost after that date would be borne by XWDISCOs and directed the petitioner (FESCO) to submit its next tariff petition accordingly. However, NEPRA at Para-13.2.16 clearly stated that it had already allowed FESCO the actual post-retirement benefits cost as per audited accounts as part of O&M in its Distribution Margin up till FY 2011-12.

2. Further, at Para 13.3 NEPRA mentioned that, "as per Restructuring and Privatization of WAPDA Executive Order 24th October, 1998, WAPDA would only be in charge of Water Wing and the shares in the companies being set up to control WAPDA's power assets would be in the name of the President of Pakistan".

3. As a matter of fact, WAPDA Water wing and Shares in Power companies comprise non-regulated business which are not controlled by NEPRA. Moreover, NEPRA never issued any directions on the issue to WAPDA Regulated Business in its tariff determinations and NEPRA's directions in the FESCO tariff determination for FY 2014-15 were exclusively for FESCO.

4. The modalities for settlement of captioned issue of XWAPDA entities was decided by erstwhile governing MoW&P vide its Notification dated 11.05.2017 *Annex-I* according to which **all XWDISCOs/GENCOs/NTDC** have to submit adjustment claims to WAPDA by 30.04.2017 and on receipt of claims from **all XWDISCOs/GENCOs/NTDC**, WAPDA will have to make adjustment in its books by reducing its net worth by 30.06.2017.

5. The approved mechanism clearly necessitates adjustment of XWAPDA retired employees cost in consolidated manner. Since, claims from all XWDISCOs/GENCOs/NTDC were not received within stipulated time, therefore WAPDA was never in a position to make book adjustment of XWAPDA retired employees cost claims.

6. As a result of recent ECC decision dated 18.02.2025 (F/A), WAPDA in compliance has already transferred its shares in power companies including FESCO in the name of President of Pakistan vide letter dated 02-06-2025 and adjustment of WAPDA's net worth in XWDISCOs/GENCOs/NTDC companies up to 30.06.2014 as per approved procedure provided in MoW&P notification dated 11.05.2017 is not possible at WAPDA level.

7. Therefore, your claim is hereby returned with the advice to take up the matter through your line ministry i.e., Ministry of Energy (Power Division) for adjustment in net worth against XWAPDA retired employees cost as per MoW&P Notification dated 11.05.2017 without involving WAPDA.

D.C.A
D.F(CPC)
DIR(C.A.I)
A.O. (ADMN)
P.A. FIN. DIR
CASHIER / ERP
FESCO FAISALABAD
DIARY # 451

DFA
ADCA-Consold.

(Syed Irfan Hussain Rizvi)
General Manager Finance (Power)
713-Wapda House, Lahore

Pakistan Water and Power Development Authority

Annex - 6

Tel: 042-99202522, 99202211/2322
Fax: 042-99202005

Office of the
General Manager Finance (P)
609-Wapda House, Lahore

No. **16-20** GMF(P)/MF (H.Q)/Accounts

Dated: **20/01/2026**

Chief Financial Officer,
Faisalabad Electric Supply Company (FESCO),
West Canal Road, Abdullapur,
Faisalabad.

Subject:- **RECEIVABLE FROM WAPDA ON ACCOUNT OF POST RETIREMENT BENEFIT OBLIGATION OF WAPDA PENSIONERS RETIRED ON OR BEFORE 01.07.1998**

Ref:- Your office letter No. 4192/CFO/FESCO/Consolidation Dated:23-12-2025 & No.2386/CFO/FESCO/Consolidation Dated:01-10-2025 in the subject matter.

The matter has been replied in the light of NEPRA determination para-13.3.1 reproduced as under: -

"Based on the principles of natural justice and on the fact that had WAPDA adopted IAS-19 at the time of unbundling, the liability of the retired employees would have been transferred to the XWDISCOs as the referred retired employees have served in the formations that are currently part of XWDISCOs. Further, in future WAPDA won't be having any interest in the form of investments, from where it would be generating any additional revenues. In view thereof, it can be fairly concluded that this cost needs to be borne by XWDISCOs"

It is evident from the above decision that WAPDA has been absolved from any further liability w.r.t FESCO and other corporate entities due to transfer of business in favour of corporate entities.

D.C.A
D.F(CPC)
DY.DIR(C.A.I/II)
AO (ESTT) BKG/PENSION/TAX
CONS/FA/ASSETS/EMPLC/BUDGET
A.O. (ADMN)
P.A. TO DIR
DATED 22-1-2026

(Manager (A&F) HQ (Power)
322-Wapda House Lahore

Copy to:

1. Member Finance WAPDA,704-WAPDA House Lahore for information please.
2. Joint Secretary (Privatization) Ministry of Energy (Power Division), Pak Secretariat, A-Block, Islamabad.
3. Joint Secretary (CAD), Ministry of Energy (Power Division), Islamabad.
4. MD (PPMC), Evacue, Trust Building, Agha Khan Road Islamabad.

DCA
2/23/1

FAISALABAD ELECTRIC SUPPLY COMPANY LTD.
OFFICE OF THE CHIEF EXECUTIVE OFFICER FESCO, WEST
CANAL ROAD, ABDULLAHPUR FAISALABAD
E-mail:- cfo@fesco.com.pk

TEL # 041-9220184
FAX # 041-9220217

CHIEF EXECUTIVE OFFICER

No 1911 /FESCO/CFO

Dated: 10 / 09/ 2026

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

Subject: **DOCUMENTARY EVIDENCE IN COMPLIANCE WITH NEPRA'S DIRECTIONS REGARDING PPMC MANAGEMENT FEE**

In continuation of FESCO letter No 1807/CFO/FESCO/CP&C dated 31 Aug, 2026 regarding Adjustment/Indexation for CY-2027 along with Prior Year Adjustment (PYA) and in compliance with Authority's decision dated **07 January 2026**, on the subject matter, following is submitted for consideration of the Authority:

a) Following approval of the National Electricity Policy, 2021 ("NE Policy") by the Council of Common Interests (CCI) and the National Electricity Plan, 2023–2027 ("NE Plan"), PPMC was entrusted by the Ministry of Energy (Power Division) with the role of the Designated Entity under Sections 5.3.5 and 6.2 of the NE Policy and Clause 3.1(c)(iii) of the NE Plan, framed pursuant to Section 14A read with section 31(1) of the NEPRA Act.

b) The Federal Cabinet also directed that PPMC may continue to charge a fee from the DISCOs for the services rendered, as may be approved by the Board of Directors of PPMC. Furthermore, Clause 3.1(c)(iii) of Part-B of the NE Plan expressly provides that the Designated Entity shall be entitled to charge a regulatory fee for performing its assigned functions, which shall be allowed by the Authority.

c) Accordingly, in pursuance of the Cabinet Decision read with the NE Policy and NE Plan, the Ministry of Energy (Power Division) issued S.R.O. No. 1358(I)/2025 dated 29 July 2025 **(Annex-A)**, instructing all stakeholders including XW-DISCOs and CPPA-G, regarding the designation of PPMC and collection of the said fee.

d) Historically, the PPMC fee was treated as part of the O&M expenditure. However, in the absence of a specific regulatory framework for its allowance, the Authority had not incorporated the fee in the O&M expenses of the DISCOs. In view of the subsequent statutory and policy framework, particularly Clause 3.1(c)(iii) of the NE Plan read with Section 14A(5) and section 31(1) of the NEPRA Act, an appropriate legal and regulatory basis now exists for allowing the PPMC fee as part of the O&M expenditure in the revenue requirement of the DISCOs.

e) For the assistance of the Honourable Authority in appreciating the nature and scope of functions being performed by PPMC as the Designated Entity and other functions assigned by Federal Government to PPMC, as provided by the Managing Director, PPMC, are enclosed as **(Annex-B)**.

In view of the foregoing, it is respectfully requested that the PPMC Fee of Rs. 57.96 million for FY 2025-26 may kindly be allowed as PYA in CY 2027, in accordance with the Authority's decision dated 07 January 2026.

Submitted for kind consideration and approval of the Honourable Authority, please.

(Muhammad Aamer)
Chief Executive Officer

Annex - A

TO BE PUBLISHED IN THE OFFICIAL GAZETTE
GOVERNMENT OF PAKISTAN

Government of Pakistan
Ministry of Energy
(Power Division)

Islamabad, the, July 29, 2025

NOTIFICATION

S.R.O: 1358-I (2025). National Electricity Policy, 2021 (the "Policy"), as approved by Council of Common Interests (CCI), mandates that the Federal Government may designate an entity to perform the tasks assigned in Sections 5.3.5 and 6.2 of the Policy. Such functions, inter alia, include the monitoring of implementation of the Policy and the National Electricity Plan, as formulated from time to time, and formulation, implementation and monitoring of strategic roadmap for state-owned distribution companies.

2. In pursuance thereof as well as the National Electricity Plan (2023-27) (the "Plan"), the Federal Government, inter alia, designated Power Planning and Monitoring Company (Pvt.) Limited (the "Company") as a designated entity for the implementation of Priority Areas of the Plan.

3. Federal Cabinet, through its decision dated 27-10-2021, also approved the functions to be performed by the Company. Such functions, inter alia, also include management, planning, monitoring in respect of various functions, and business of power sector entities as well as to act as support for the Ministry of Energy in monitoring, coordination and policy formulations in respect of DISCOs, GENCOs and NTDC.

4. Federal Cabinet also directed that the Company may continue to charge a fee from DISCOS, for the services rendered as may be approved by the Board of Directors of the Company, from time to time.

5. The purpose of these SOPs is to ensure an efficient and transparent structure for the allocation of the fee between DISCOs, as decided by the Board of Directors of the Company, from time to time, in the following manner:

(a) Board of Directors of the Company may, on annual basis, approve the annual budget and allocation of fees to DISCOs.

(b) The allocated amount for DISCOs shall be distributed and met as per approved ratio based on Distribution Margin of the respective DISCO.

(c) The invoice by the Company for the payment of the allocated amount for each respective DISCO shall be made to DISCOs through CPPA-G.

(d) Upon receipt of such invoice, the amount shall be paid by CPPA-G, on behalf of the respective DISCO, to the Company directly by making adjustment in relevant account of the concerned DISCO. Such payment shall be, accordingly, reflected by the respective DISCO in its accounts.

(e) Invoice(s) shall be issued by the Company on quarterly basis, in advance, and payment shall be made accordingly.

(f) A reconciliation exercise shall be conducted on quarterly basis, between the Company, CPPA-G and the respective DISCO for settlement of any excess / under-payment of the fee amount.

(Umer Vaqar)
Section Officer (Corporate Affairs)

FUNCTIONS OF POWER PLANNING AND MONITORING COMPANY (PPMC)

Below are the brief functions of the PPMC pursuant to the National Electricity Policy (NE-Policy) and National Electricity Plan (NE-Plan) being the designated entity and the function assigned by the Federal Cabinet vide its decision dated 27th October 2021 to act as technical arm of the Ministry of Energy (Power Division), PPMC supports the Power Division by providing analytical, technical, and strategic assessments, including the evaluation of policy decisions and their impact on the power sector and end consumers. This support is also extended to other sectoral entities across the power value chain.

Policy & Strategic Planning:

Policy Analysis & Development

- Development/Updation of Five-year National Electricity Plan
- Energy Policy Tracking Framework – monitor global energy transition trends, business models, regulatory developments
- Recommend localized policies, planning and regulatory adjustments
- Analysis and research in support of any policy area including but not limited to HR capacity building, Reduction in losses, Technology interventions, and all legacy matters.
- Economic analysis on policy directives/interventions, relevant macro & micro economic indicators, Transfer of Technology (ToT) & local content, concessional packages, generation business models, and electricity market structure.
- Development of R&D frameworks, identification of R&D areas through sectoral consultations and delegation of R&D areas to research institutes, and management of R&D fund, etc.

Integrated Planning

- Develop, maintain, and upgrade multi-year integrated energy models.
- Integrated planning, economic analysis, climate/ environmental analysis and risk assessment

Strategic Risk Management Unit

- Develop and operationalize a strategic risk management framework
- Identify strategic risks and exposures & recommend hedging strategies

Economic & Environment Assessments

- Develop and update the power sector's GHG emissions inventory
- Develop integrated models for assessing Wider Economic Impacts (WEIs) of energy policies

Research & Development Secretariat

- International collaborations with policy & strategic energy institutes
- Develop and roll out the Five-Year Research & Development Plan (FRDP)

Advanced Analytics for Policy Support

- Development of advanced data analytics, ML, AI, and GIS-based models

Monitoring & Reporting:

Performance Benchmarks & Monitoring

- Support MoE (Power Division) in developing and monitoring DISCOs' strategic roadmaps
- Coordination and monitoring of strategic roadmaps of PMO, Cabinet, and policy units
- Performance Contract Management & Monitoring of Power Sector entities; BoDs and development and monitoring of KPIs of Generation/Transmission & Distribution Entities
- Coordination of external audit compliance of directives of PAC/DAC

Strategic Plans

- Oversee implementation and progress of strategic plans including NE-Plan and Power Sector Reforms Plan

Regulatory Discrepancy Assessment

- Conduct periodic assessments of regulatory and constitutional discrepancies
- Identify areas requiring alignment with evolving legal & policy frameworks

Progress Monitoring of Projects

- Monitoring progress of Donor-funded and PSDP projects of DISCOs

Provincial Coordination

- Coordination with provinces for policy implementation and strategic planning

Technical Services:

Design Standards & Material Inspections

- Develop/amend specifications for distribution network materials and equipment
- Establish central design & standards registry and protocols for emerging technologies
- Review of PC-I documents submitted by power sector Entities for approval
- Automation through development of IT enabled infrastructure

Power Sector Resource Planning & Indigenization

- Develop 10-year resource requirements for power sector
- Support EDB for Power Sector Indigenization Plan (PSIP)
- Develop strategies and legal instruments to achieve PSIP targets

Parliamentary & Government Liaison

- Engage with parliamentary bodies, track legislative developments
- Act as one-window unit for coordination and information provision

Stakeholder Coordination

- Harmonization of design & standards across national and provincial utilities

Government & Legislative Liaison

- Engage with parliamentary bodies, track legislative developments, and act as central coordination point

Planning Support & Regulatory Affairs:

Circular Debt Management & Reporting

- Circular Debt Management Plan (CDMP) & related assessments

Engagement with DFIs

- Approvals of key policy decisions related to tariffs, subsidies etc.

Strategic Roadmaps Development

- Support development of strategic roadmaps of DISCOs and business plans

Electrification

- Development of Central Electrification Registry & least cost-based electrification plan

Consumer Roles & Utility Business Models

- Assessment of consumer behaviors, evolving utility business models, and alignment of regulatory framework

Support to Ministry of Energy (PD) & Other Entities

- Incentive packages, tariff designs, subsidies, restructuring & adjustments
- Planning support to NTDC/ISMO – IGCEP
- Facilitation in the development/amendment of HSEe (Health, Safety, Environment and Quality).
- Assistance to DISCOs on the regulatory & policy forums

Strategic Energy Financing:

Donor Financing Coordination

- Facilitate and manage donor financing for power sector projects aligned with national policies

Green Energy Financing

- One-window facility for Green Climate Fund project development
- Implement financing mechanisms for clean energy including climate funds, carbon credits, concessional financing

PSDP Oversight

- Monitor and support PSDP-funded energy sector projects for efficient utilization

Public-Private Partnerships (PPP)

- Develop and promote PPP models to attract private sector investment

Foreign Exchange & Banking Coordination

- Project sectoral FOREX needs and coordinate with SBP and banks for financial management

Others Functions under NE Plan:

Integrated Energy Plan (IEP):

- Develop and maintain the Integrated Energy Plan, including high-level design, initial development, and periodic updates.
- Prepare feasibility analyses related to energy-sector institutional integration.

Generation Policy Framework:

- Support the formulation, update, and circulation of national generation policy framework for consultation and approval.

Integration of Bilateral Contracts in IGCEP

- Provide Support for development of mechanisms enabling the inclusion of bilateral-contract-based generation projects into IGCEP.

Distributed Energy Resources (DER) Integration

- Assess DER penetration and potential across the system and develop DER deployment strategies.
- Provide support for integration of provisions for DER participation and services in the central e-platform.

Cross-Border Electricity Trade

- Assessments related to import/export of electricity in coordination with stakeholders
- Develop guidelines, frameworks, and feasibility studies for electricity import/export.
- Formulate open-access rules and support export under the CASA-1000 initiative.

Electricity Market Development

- Assess requirements and support phased development of electricity market products and platforms.