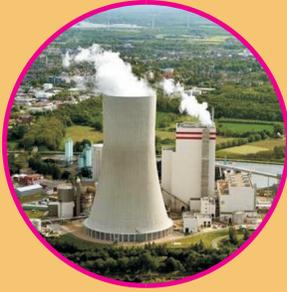




**NATIONAL ELECTRIC POWER
REGULATORY AUTHORITY**



ANNUAL REPORT 2023-24

Annual Report 2023-24





MISSION STATEMENT

To develop and pursue a regulatory framework for safe, reliable, affordable, modern, efficient and market-driven environment for provision of electric power to consumers in Pakistan and to maintain the balance between interests of consumers and service providers in line with the broad economic and social policy objectives of the Government and best international practices of the industry.

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CHAIRMAN'S MESSAGE

It is with sense of responsibility and dedication that I present NEPRA's Annual Report for FY 2023-24. This year has been a pivotal one for Pakistan's power sector, emphasizing its important role in the nation's economy. With the sector now valued at Rs. 3.8 trillion—comprising over one-third of the national budget—this significant contribution underscores the urgent need for effective regulation, strategic foresight, and robust oversight, which are central to NEPRA's core mission.

The power sector encountered significant challenges during FY 2023-24, exacerbated by inflation and systemic inefficiencies. These factors led to a sharp increase in the cost of electricity generation, placing immense pressure on both producers and consumers. In this demanding environment, NEPRA's role has been more crucial than ever. We have worked diligently to strike a balance between ensuring the financial stability of power producers and protecting consumers from undue financial strain. Our efforts have been focused on navigating these complexities while steering the sector towards long-term sustainability and growth.

Our primary focus has been on developing a market-driven system that fosters competition and ensures sustainable growth. A significant milestone this year was the concerted effort to operationalize the Competitive Trading Bilateral Contract Market (CTBCM), a transformative move towards a more efficient, transparent, and consumer-focused power sector. Additionally, NEPRA issued electric power supply licenses to nine companies and designated the Private Power and Infrastructure Board (PPIB) as the Independent Auction Administrator. These regulatory advancements mark a crucial turning point in Pakistan's power sector, driving its evolution into a modern, competitive, and market-oriented industry. Strategic planning has remained a key priority, with NEPRA continuing its efforts on the Integrated System Plan (ISP), which encompasses the Indicative Generation Capacity Expansion Plan (IGCEP) and the Transmission System Expansion Plan (TSEP). These plans are crucial for addressing the country's long-term energy demands, ensuring that the power sector evolves in a sustainable, efficient, and forward-thinking manner. By focusing on these comprehensive strategies, NEPRA is working to shape a resilient energy future for Pakistan.

A key achievement this year was the continued advancement of renewable energy (RE). NEPRA issued 3,736 Net Metering Licenses, adding a total capacity of 591 MW, contributing significantly to Pakistan's green energy objectives. Additionally, NEPRA granted eight generation licenses for hydel and solar projects, which collectively added 275 MW to the country's renewable capacity. These efforts underscore NEPRA's unwavering commitment to fostering a greener, more sustainable energy future for Pakistan.

In addition to these accomplishments, NEPRA has consistently prioritized the protection of consumer interests. More than 18,000 consumer complaints were resolved, and 155 public hearings and consultative sessions were held, ensuring that decisions were informed by diverse viewpoints. NEPRA's steadfast dedication to transparency and accountability continues to drive efforts to establish a regulatory environment that safeguards consumers while building trust and confidence in the power sector.

Looking forward, NEPRA is dedicated to continuing reforms in the power sector, with an ongoing emphasis on improving efficiency, reducing costs, and fostering innovation to ensure a stable, affordable, and reliable electricity supply. In partnership with stakeholders, efforts will continue to develop a power sector that encourages economic growth and enhances the quality of life of citizens of Pakistan.

I would like to extend my sincere gratitude to my fellow Authority Members, the dedicated NEPRA team, and all our stakeholders for their steadfast support and valuable contributions. The path ahead is one of transformation, and I am confident that through our collective efforts, we will build a brighter, more sustainable energy future for Pakistan.

WASEEM MUKHTAR
Chairman

THE AUTHORITY

The Authority consists of a Chairman appointed by the Federal Government and four specialized Members, one from each Province, appointed by the Federal Government after considering the recommendations of the respective Provincial Governments. The appointment of Chairman is for a term of four years while Members of the Authority are appointed for a term of three years. The composition of the Authority is as follows:

- (1) Chairman;
- (2) Member (Technical);
- (3) Member (Development);
- (4) Member (Tariff & Finance); and
- (5) Member (Law)

Mr. Waseem Mukhtar assumed the charge of Chairman NEPRA on August 10, 2023, for a term of four years in pursuance of Section 3 (5) of the NEPRA Act. He is the 10th Chairman of NEPRA.



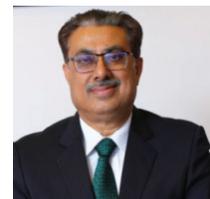
Mr. Rafique Ahmed Shaikh, after completion of his 1st term as Member (Sindh), assumed the charge of the office of Member (Technical) on December 06, 2022, for another term of three years.



Engr. Maqsood Anwar Khan assumed the position of Member (Khyber Pakhtunkhwa) on April 21, 2021, representing the province of Khyber Pakhtunkhwa.



Mr. Mathar Niaz Rana (nsc) assumed the charge of the office of Member (Tariff & Finance) on November 11, 2022. Mr. Rana represents the province of Balochistan.



Ms. Amina Ahmed, the first woman appointed as a Member of NEPRA representing the province of Punjab, assumed the charge of Member (Law) on February 06, 2023.



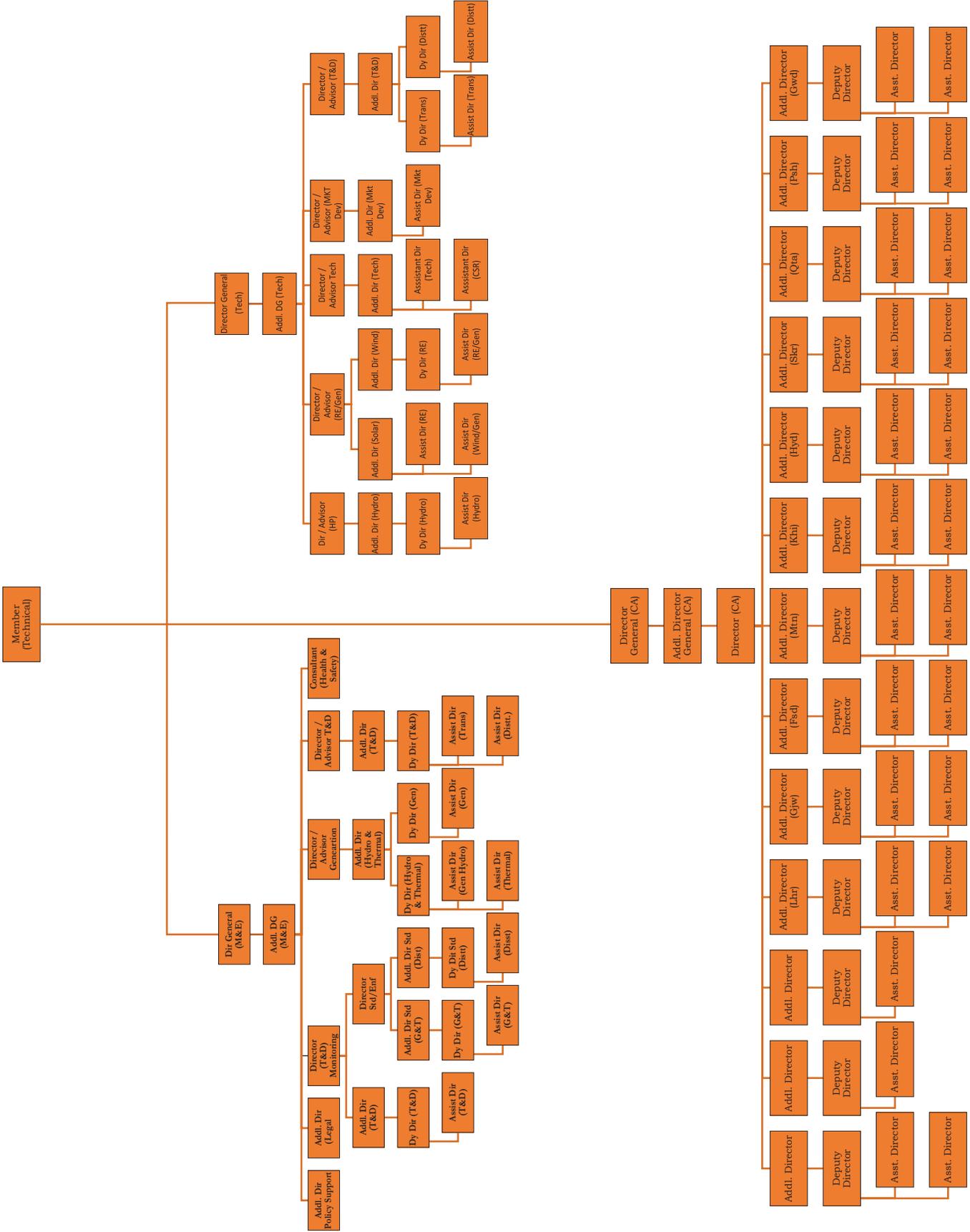
COMPOSITION OF THE ORGANIZATION

Section 10 of the NEPRA Act provides that:

- (i) To carry out the purposes of this Act, the Authority may, from time to time, employ officers, members of its staff, experts, consultants, advisers and other employees on such terms and conditions as it may deem fit.
- (ii) All officers, members of staff, experts, consultants, advisers and other employees employed by the Authority shall not be deemed to be civil servants within the meaning of the Civil Servants Act, 1973 (LXXI of 1973).

To carry out its regulatory functions, NEPRA is organized into the following departments:

- (i) Registrar Office
- (ii) Licensing Department
- (iii) Tariff Department
- (iv) Technical Department
- (v) Monitoring and Enforcement Department
- (vi) Consumer Affairs Department
- (vii) Legal Department
- (viii) Coordination & Implementation Department
- (ix) Finance Department
- (x) Human Resource & Administration Department
- (xi) Information Technology Department



POWERS AND FUNCTIONS

NEPRA was established under Section 3 of the Regulation of Generation, Transmission, and Distribution of Electric Power Act, 1997 (the “NEPRA Act”) to exclusively regulate the provision of electric power services in Pakistan. In 2018, the NEPRA Act was amended through the Regulation of Generation, Transmission, and Distribution of Electric Power (Amendment) Act, 2018 [Act No. XII of 2018], which, among other provisions, established the regulatory framework for the development of a competitive electric power market in the country.

The powers and functions of the Authority as delineated in Section 7 of the Act are:

- (1) The Authority shall be exclusively responsible for regulating the provision of electric power services.
- (2) In particular and without prejudice to the generality of the foregoing power, only the Authority, subject to the provisions in sub-section (4), shall: -
 - (a) Grant Licence under this Act;
 - [(aa) specify procedures and standards for registration of persons providing electric power services;
 - (ab) aid and advise the Federal Government, in the formulation of national electricity plan
 - (ac) ensure efficient tariff structures and market design for sufficient liquidity in the power markets.]
 - (b) specify procedures and standards for investment programmes by generation companies and persons licenced or registered under this Act;
 - (c) specify and enforce performance standards for generation companies and persons licenced or registered under this Act;
 - (d) specify accounting standards and establish a uniform system of account by generation companies and persons licenced or registered under this Act;
 - (e) specify fees including fees for grant of Licence and renewal thereof;
 - (f) [* * * * * * * *][¹]
 - (g) review its order, decisions or determinations;
 - (h) settle disputes between Licensees in accordance with the specified procedure;
 - (i) issue guidelines and standards operating procedures;
 - [(a) promote the development of a market, including trading, in accordance with the national electricity policy and the national electricity plan;] and;
 - (j) perform any other function which is incidental or consequential to any of the aforesaid functions;
- (3) Notwithstanding the provisions of sub-section (2) and without prejudice to the generality of the power conferred by sub-section (1) the Authority shall:-

¹ Omitted vide The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (XII of 2018).

- (a) determine tariff, rates, charges and other terms and conditions for supply of electric power services by the generation, transmission and distribution companies and recommend to the Federal Government for notification;
 - (b) review organizational affairs of generation companies and persons licenced or registered under this Act to avoid any adverse effect on the operation of electric power services and for continuous and efficient supply of such services;
 - (c) encourage uniform industry standards and code of conduct for generation companies and persons licenced or registered under this Act;
 - (d) tender advice to public sector projects;
 - (e) submit reports to the Federal Government in respect of activities of generation companies and persons licenced or registered under this Act;
 - (f) perform any other function which is incidental or consequential to any of the aforesaid functions.
- (4) Notwithstanding anything contained in this Act, the Government of a Province may construct power houses and grid stations and lay transmission lines for use within the Province and determine the tariff for distribution of electricity within the Province and such shall not be called into question by the Authority.
- (5) Before approving the tariff for the supply of electric power by generation companies using hydro-electric plants, the Authority shall consider the recommendations of the Government of the Province in which such generation facility is located.
- (6) In performing its functions under this Act, the Authority shall protect the interests of consumers and companies providing electric power services in accordance with the principles of transparency and impartiality.

KEY HIGHLIGHTS



1. KEY HIGHLIGHTS OF NEPRA ACTIVITIES DURING FY 2023-24

- (i) Registration of PPIB as the Independent Auction Administrator (IAA).
- (ii) Issuance of eight (08) Generation Licenses/Concurrences for a cumulative capacity of 255.56 MW.
- (iii) Issuance of three thousand seven hundred and thirty-six (3,736) Net-Metering Licenses/Concurrences for a combined generation capacity of 591.092 MW by NEPRA.
- (iv) Issuance of nine (09) Electric Power Supply Licenses to IESCO, PESCO, GEPCO, LESCO, MEPCO, QESCO, FESCO, HESCO, and KE, enabling them to act as Suppliers of Last Resort within their designated service areas.
- (v) Issuance of one (01) license to Punjab Grid Company Limited to operate as the Provincial Grid Company (PGC) for the Province of Punjab.
- (vi) Issuance of one (01) Distribution License to K-Electric Limited.
- (vii) Issuance of forty-seven (47) tariff decisions, including tariff determinations, decisions on review motions filed by licensees, and decisions on reconsideration requests filed by the Government of Pakistan.
- (viii) Approval of RFP documents of 620 MW to carry out competitive bidding in K-Electric.
- (ix) Notification of 839 tariff determinations/decisions in the Official Gazette.
- (x) Approval of 315 monthly adjustments concerning fuel prices.
- (xi) Approval of 474 quarterly adjustments and 50 annual adjustments related to capacity charges.
- (xii) Approval of eight (08) requests regarding Power Purchase Agreements (PPAs), Energy Purchase Agreements (EPAs), and Power Acquisition Contracts filed by the Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) and Distribution Companies.
- (xiii) Conduct of 427 regulatory meetings.
- (xiv) Holding of 155 public hearings/consultative sessions.
- (xv) Resolution of 85% of consumer complaints.
- (xvi) Development of essential information and FAQs regarding electrical safety and the reporting of unsafe electrical conditions, acts, or accidents for the Pakistan Citizen Portal.
- (xvii) Remittance of Rs. 221.988 million to the Federal Consolidated Fund of the Government of Pakistan.
- (xviii) Compliance with federal and provincial tax laws by NEPRA.
- (xix) External audit of NEPRA's financial statements.
- (xx) Determination of Market Operator Fee for the CPPA-G for the FY 2023-24.
- (xxi) Notification of amendments to the following existing regulations in the Official Gazette of Pakistan:
 - (a) Amendment to the NEPRA (Uniform System of Accounts) Regulations, 2022, notified via S.R.O. 1501(I)/2023 dated October 30, 2023;
 - (b) Amendment to the NEPRA (Fees) Regulations, 2021, notified via S.R.O. 567(I)/2024 dated April 09, 2024.

NEPRA's REGULATORY FRAMEWORK



2. NEPRA's REGULATORY FRAMEWORK

2.1 ROLE OF NEPRA IN THE POWER SECTOR:

Established in 1997, NEPRA is an independent regulatory authority tasked with overseeing and managing Pakistan's power sector. Its primary objective is to ensure the provision of affordable, reliable, and sustainable electricity to consumers. NEPRA's role goes beyond regulatory oversight; it plays a crucial part in balancing the interests of two key stakeholders—consumers and service providers—while also aligning with the broader economic and social policy objectives set by the Government of Pakistan.

2.2 REGULATORY FRAMEWORK:

Section 7 of the NEPRA Act mandates the Authority to establish and implement a regulatory framework that guarantees the provision of safe, reliable, sustainable, and affordable electricity to consumers, utilizing modern, efficient, and market-driven regulatory tools. To fulfil its responsibilities, the Authority has developed a comprehensive market-oriented regulatory framework, which includes Rules, Regulations, Codes, Guidelines, Manuals, and Standard Operating Procedures (SOPs) to effectively regulate Pakistan's power sector. The regulatory framework governing the power sector in Pakistan is outlined as follows:

1. NEPRA Act	
1.1	Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter to be referred as "the NEPRA Act") with all amendments up to December, 2021
2. NEPRA Rules	
2.1	NEPRA Tariff (Standards and Procedure) Rules, 1998
2.2	NEPRA Licensing (Distribution) Rules, 1999
2.3	NEPRA Licensing (Generation) Rules, 2000
2.4	NEPRA (Fines) Rules, 2002
2.5	NEPRA (Fee) Rules, 2002
2.6	NEPRA Performance Standards (Distribution) Rules, 2005
2.7	NEPRA Performance Standards (Transmission) Rules, 2005
2.8	NEPRA Performance Standards (Generation) Rules, 2009
2.9	NEPRA (Uniform System of Accounts) Rules, 2009
2.10	NEPRA (Market Operator Registration, Standards and Procedure) Rules, 2015
2.11	NEPRA (Complaint Handling and Dispute Resolution Procedure) Rules, 2015
2.12	The Eligibility Criteria (Electric Power Supplier Licences) Rules, 2023
2.13	The Eligibility Criteria (System Operator Licence) Rules, 2023
2.14	The Registration (Manner and Conditions for Entities providing Electric Power Services) Rules, 2023
2.15	The Eligibility Criteria (Market Operator Licence) Rules, 2023
2.16	The Eligibility Criteria (Transmission Licences) Rules, 2023
2.17	The Eligibility Criteria (Distribution Licences) Rules, 2023.
2.18	The Eligibility Criteria (Electric Power Trader Licences) Rules, 2023
3. NEPRA Regulations	
3.1	NEPRA (Fees Pertaining to Tariff Standards and Procedure) Regulations, 2002
3.2	NEPRA (Resolution of Disputes between Independent Power Producers and other Licensees) Regulations, 2003
3.3	NEPRA (Review Procedure) Regulations, 2009
3.4	NEPRA (Procedure for filing appeal before the Authority) Regulations, 2012
3.5	NEPRA (Alternative and Renewable Energy) Distributed Generation and Net-Metering Regulations, 2015

3. NEPRA Regulations	
3.6	NEPRA (Supply of Electric Power) Regulations, 2015
3.7	NEPRA Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021
3.8	NEPRA (Fees) Regulations, 2021
3.9	NEPRA (Fine) Regulations, 2021
3.10	NEPRA (Registration) Regulations, 2022
3.11	NEPRA Licensing (Distribution) Regulations, 2022
3.12	NEPRA Licensing (Electric Power Supplier) Regulations, 2022
3.13	NEPRA Consumer Eligibility Criteria (Electric Power Suppliers) Regulations, 2022
3.14	NEPRA Consumer Eligibility Criteria (Distribution Licensees) Regulations, 2022
3.15	NEPRA (Uniform System of Accounts) Regulations, 2022
3.16	NEPRA Licensing (Market Operator) Regulations, 2022
3.17	NEPRA Performance Standards (Electric Power Suppliers) Regulations, 2022
3.18	NEPRA (Electric Power Trader) Regulations, 2022
3.19	NEPRA Licensing (Micro Grid) Regulations, 2022
3.20	NEPRA (Security of Information Technology and Operational Technology) Regulations, 2022
3.21	NEPRA Open Access (Interconnection and Wheeling of Electric Power) Regulations, 2022
3.22	NEPRA Licensing (System Operator) Regulations, 2022
3.23	NEPRA (Electric Power Procurement) Regulations, 2022
4. NEPRA Standard Operating Procedures	
4.1	NEPRA Standard Operating Procedures for Inspection, Examination and Provision of Copies of Documents, 2015
5. NEPRA Guidelines	
5.1	NEPRA (Sale of Electric Power by Renewable Energy Companies) Guidelines, 2015
5.2	NEPRA Guidelines for Determination of Consumer-end Tariff (Methodology and Process), 2015
5.3	NEPRA Guidelines to Lay Down the Methodology and Process for Determination of Revenue Requirement and Use of System Charges (UoSC) for Transmission Licensee, 2017
5.4	NEPRA (Selection of Engineering, Procurement and Construction Contractor by Independent Power Producers) Guidelines, 2017
5.5	NEPRA (Benchmarks for Tariff Determination) Guidelines, 2018
5.6	NEPRA (Selection of Operation and Maintenance Contractors by Generation Companies) Guidelines, 2021
5.7	NEPRA (Social Investment) Guidelines, 2021
5.8	NEPRA Guidelines for Procurement of Coal on Spot Basis, 2022
6. NEPRA Codes	
6.1	Distribution Code, 2005
6.2	Commercial Code, 2015 of CPPA-G
6.3	Power Safety Code for Licensees, 2021
6.4	Market Commercial Code, 2022
6.5	Grid Code, 2023
7. NEPRA Manuals	
7.1	Consumer Service Manual – January, 2021
7.2	Regulatory Framework for Electric Vehicle Charging Stations

The NEPRA Act and Rules, Regulations, Guidelines and SOPs made thereunder are available on NEPRA website for ease of all concerned.

2.3 GRANT OF LICENSES/CONCURRENCES AND REGISTRATIONS:

Before the enactment of the Regulation of Generation, Transmission, and Distribution of Electric Power (Amendment) Act, 2018, the generation, transmission, and distribution of electric power were licensed activities. The amended Act expanded this framework to include electric power supply, trade, market and system operations as licensed activities. Additionally, the licensing requirement for generation was ceased with as of April 27, 2023, and the Authority was empowered to issue concurrences to the generation companies.

Beyond issuing licenses and concurrences under the NEPRA Act, the Authority is also empowered to issue registrations to individuals or entities providing electric power services, other than generation or services requiring a license under the Act.

2.4 DETERMINATION OF TARIFF:

Pursuant to Section 7 (3) of NEPRA Act, the Authority is exclusively empowered to determine tariff, rates, charges and other terms and conditions for the provision of electric power services by the generation, transmission, distribution and supplier companies and to intimate its recommendations to the Federal Government for notification in the Official Gazette.

Section 31, Sub-section (3) of NEPRA Act, provides general guidelines for determination, modification or revision of rates, charges and terms and conditions for provision of electric power services.

Sub-section (7) of Section 31, of the NEPRA (Amendment) Act 2021, stipulates that:

“Notification of the Authority’s approved Tariff or Uniform Tariff, as the case may be; rates, charges, and other terms and conditions for the supply of electric power services shall be made, in the Official Gazette, by the Federal Government within 30 days of intimation of the same by the Authority. In the event the Federal Government fails to notify the tariff so determined by the Authority, or refer the matter to the Authority for reconsideration, within the time period specified, then the Authority may direct for immediate application of its recommended and approved tariff or uniform tariff as the case may be, by way of notification of the same, subject to adjustment which may arise on account of reconsideration, if any, subsequently filed by the Federal Government”.

The Authority follows a transparent procedure for determination of tariff under the NEPRA Tariff (Standards and Procedure) Rules, 1998 which involves participation of the stakeholders and general public as well conduct of public hearing.

2.5 ESTABLISHMENT AND ENFORCEMENT OF PERFORMANCE STANDARDS:

The Authority has formulated and issued the Performance Standards (Generation) Rules, 2009, the Performance Standards (Transmission) Rules, 2005, and the Performance Standards (Distribution) Rules, 2005, to ensure that licensees provide high-quality and reliable services to all users and consumers. To ensure compliance with these standards, NEPRA professionals conduct site visits, evaluate performance reports, and initiate legal proceedings when necessary. Additionally, the Authority is actively reviewing and enhancing these standards in light of global developments in the power sector and best utility practices. NEPRA publishes Performance Evaluation Reports (PERs) for each of the three segments— Generation, Transmission, and Distribution—based on the Key Performance Indicators (KPIs) outlined in these standards.

2.6 MONITORING AND ENFORCEMENT OF THE REGULATORY FRAMEWORK:

Monitoring and Enforcement (M&E) is a crucial and comprehensive function of the Authority, performed to ensure that the performance of licensed entities adheres to the applicable standards, regulations, and guidelines. It involves systematically tracking and evaluating the actions of licensees to ensure compliance with the legal and regulatory framework set forth in the governing documents. These include, but are not limited to, the Act, Rules, Regulations, Codes, Manuals, Guidelines, Standard Operating Procedures (SOPs), and specific directives issued by the Authority.

The M&E function encompasses several key components. First, it involves regular and thorough monitoring to assess whether licensees are fulfilling their obligations, performing in a manner that meets regulatory expectations, and maintaining the standards of quality, safety, and efficiency required. This monitoring may take the form of inspections, audits, data analysis, and reports submitted by the licensees.

Second, enforcement actions are taken when licensees fail to meet the required standards. The enforcement process may involve issuing warnings, levying fines, imposing penalties, or taking corrective actions to address non-compliance. In cases of severe violations, the Authority may revoke licenses or take other legal actions, ensuring that any breach of conditions does not compromise the system's integrity or public safety.

Furthermore, the M&E function ensures transparency and accountability within the regulatory environment. It provides the Authority with real-time data on licensees' activities, identifying trends or emerging issues that might require intervention. This proactive approach helps maintain a stable and fair marketplace, protecting stakeholders' interests and promoting continuous improvement.

2.7 TRANSPARENCY:

Transparency is a cornerstone of NEPRA's regulatory practices, reflecting its commitment to openness and accountability. This dedication is embodied in a comprehensive approach that actively involves the public and stakeholders in the decision-making process. NEPRA ensures public engagement through the conduct of public hearings, where diverse viewpoints are solicited, and by inviting written comments from stakeholders and the general public on regulatory decisions. This process not only fosters a participatory environment but also allows for the inclusion of a broad range of perspectives in shaping regulatory outcomes.

To further enhance transparency, NEPRA makes key regulatory documents publicly accessible. This includes Rules, Regulations, Licenses, Tariff Determinations, as well as the orders and decisions issued by the Authority. These documents are readily available on NEPRA's official website, allowing the public, industry stakeholders, and other interested parties to stay informed and up to date with the regulatory framework and decisions impacting the sector. By ensuring such easy access to information, NEPRA upholds its commitment to transparency, promoting a fair, accountable, and informed regulatory environment.

THE AUTHORITY'S REGULATORY DECISION-MAKING PROCESS



3. THE AUTHORITY'S REGULATORY DECISION-MAKING PROCESS

NEPRA is tasked with overseeing the power sector, holding a broad mandate that encompasses a range of essential functions. These include issuing licenses and concurrences, determining tariffs, and ensuring that licensees meet regulatory performance standards, all with the aim of enhancing service quality and efficiency in the sector. Additionally, NEPRA plays a pivotal role in addressing and resolving consumer complaints, ensuring that public grievances are heard and appropriately addressed.

In line with the powers granted under the Act, NEPRA is also empowered to review and reconsider its own decisions, reinforcing its commitment to fair and transparent governance. This self-review mechanism ensures that the Authority remains flexible and responsive to evolving circumstances and emerging issues, further strengthening its accountability.

Each petition submitted to NEPRA undergoes a thorough and rigorous evaluation process, carefully examined within the established regulatory framework. The Authority's approach is data-driven, considering a broad spectrum of information and diverse perspectives. This meticulous analysis allows NEPRA to make well-informed, balanced decisions that promote the long-term sustainability of the power sector while safeguarding public and stakeholders' interests.

The NEPRA (Amendment) Act, 2021 provides as under:

Section 5: Meetings of the Authority, etc.—

- (a) Subject to the provisions of this Act, the Authority shall, in performance of its functions and exercise of its powers, conduct its proceedings in accordance with regulations made under this Act.
- (b) The Chairman and two other members shall constitute a quorum for a meeting of the Authority requiring a decision by the Authority:

Provided that the members of the Authority shall nominate a member amongst themselves to work as an acting Chairman in case of absence of the Chairman, as the case may be, for meeting of the Authority.

- (c) The member shall have reasonable notice of the time and place of the meeting and the matters on which a decision by the Authority shall be taken in such meeting.
- (d) The decision of the Authority shall be taken by the majority of its members present, and in case of a tie, the person presiding the meeting shall have a casting vote.

Section 6: Decisions of the Authority.— All orders, determinations and decisions of the Authority shall be taken in writing and shall identify the determination of the Chairman and each member.

REGULATORY ACTIVITIES DURING FY 2023-24



4. REGULATORY ACTIVITIES DURING FY 2023-24

4.1 LICENSING/CONCURRENCE ACTIVITIES:

(i) Generation Licenses

In FY 2023-24, NEPRA processed thirteen (13) generation license applications, totalling an installed capacity of 1,048.558 MW. Of these, eight (08) licenses, with a combined capacity of 255.56 MW, were issued. The remaining applications are still under review. Below is the list of generation licenses issued during FY 2023-24:

S. No.	Name of Licensee	Installed Cap. (MW)	Fuel	Licence/ Concurrence	Date of Issuance
1	YDE SA (SMC-Private) Limited	5.0058	Solar	SGC/173/2023	September 27, 2023
2	PEDO for Gabral Kalam HPP	88.00	Hydel	GL(Hydel)/20/2023	November 30, 2023
3	Foundation Solar Energy (Pvt.) Limited-Nowshera	1.00	Solar	SGC/175/2024	February 12, 2024
4	Foundation Solar Energy (Pvt.) Limited-CMH Lahore	0.51516	Solar	SGC/176/2024	February 12, 2024
5	Foundation Solar Energy (Pvt.) Limited-Mangla	1.013	Solar	SGC/178/2024	February 12, 2024
6	Foundation Solar Energy (Pvt.) Limited-Patoki	1.512	Solar	SGC/174/2024	February 13, 2024
7	Foundation Solar Energy (Pvt.) Limited-Risalpur	1.512	Solar	SGC/177/2024	February 13, 2024
8	PEDO for Madyan HPP	157.00	Hydel	GL(Hydel)/21/2024	May 22, 2024
	Total	255.558			

Source: NEPRA

(ii) Generation Concurrence

The NEPRA Act of 1997 was amended in 2018, with Section 15 replaced by Section 14B, which mandates requirement of a license from NEPRA to construct, own, or operate a generation facility. Sub-section (5) of Section 14B allowed the Federal Government, in consultation with NEPRA, to implement a phased cessation of generation licenses over five years, ending on April 26, 2023. Since the notification for this mechanism has not been issued, NEPRA continued issuing generation licenses until that date and began issuing concurrences thereafter.

Under the first proviso of Section 14B(5), any generation company must submit a detailed scheme covering financial, geological, hydrological, technical, safety, and environmental factors for NEPRA's concurrence. NEPRA received six (06) applications for concurrences, totalling an installed capacity of 1,711 MW. One (01) concurrence was granted to Maple Leaf Power Limited for its 25 MW PV-based facility, with the remaining applications remained under review.

(iii) Distribution Licenses

In FY 2023-24, NEPRA issued one (01) Distribution Licence to KE under Sections 20 and 21 of the NEPRA Act. Several other applications are under review, including six (06) projects by Punjab Industrial Estates Development and Management Company (PIEDMC), such as the Sundar Lahore, Bhalwal, Rahim Yar Khan, Quaid-e-Azam Business Park Sheikhpura, Vehari, and Bahawalpur projects. Additionally, applications remained under process from Rashakai Special Economic Zone Development & Operations Company, Bahria Town (Rawalpindi/Islamabad), Bahria Town (Lahore), and Pakistan Expatriates Cooperative Housing Society (PECHS-Valancia), Lahore. These applications remained at various stages of processing during the reporting period.

(iv) Transmission Licenses

In accordance with Section 18(A) of the NEPRA Act, one (01) license was issued to Punjab Grid Company Limited, designating it as the Provincial Grid Company (PGC) for the Province of Punjab. This license grants Punjab Grid Company Limited the responsibility to manage, operate, and maintain the provincial grid infrastructure, ensuring efficient power transmission within the province.

(v) Supplier Licenses

In accordance with Section 23E of the amended NEPRA Act, the Authority granted nine (09) Electric Power Supply Licenses to IESCO, PESCO, GEPCO, LESCO, MEPCO, QESCO, FESCO, HESCO, and KE, designating them as Suppliers of Last Resort within their respective service territories.

Additionally, NEPRA is processing twenty-six (26) applications for grant of Supplier Licenses. These include applications from SEPCO, TESCO, and multiple projects by the Punjab Industrial Estates Development and Management Company (PIEDMC), such as the Sundar Lahore, Bhalwal, Rahim Yar Khan, Quaid-e-Azam Business Park Sheikhpura, Vehari, and Bahawalpur projects. Other applicants under review include Rashakai Special Economic Zone Development & Operations Company, two (02) applications from Maple Leaf Power Limited, Lucky Energy (Pvt.) Limited, Shams Power Limited, Innovative Energy Solutions (Pvt.) Limited, Aquagen (Pvt.) Limited, Nishat Mills Limited, AB Electric (Pvt.) Limited, Gul Ahmed Energy Limited, Jilani Energy (Pvt.) Limited, Etihad Sugar Mills Limited, Etihad Power Generation Limited, US Apparel & Textile (Pvt.) Limited, Grid Edge (Pvt.) Limited, Nishat Chunian Limited, Mughal Energy Limited, and Bulleh Shah Packaging (Pvt.) Limited. These applications remained under various stages of processing.

(vi) Net-Metering Licenses

In FY 2023-24, NEPRA issued a total of 3,736 net-metering concurrences, with a cumulative installed capacity of 591.092 MW. NEPRA grants concurrences for net-metering systems with an installed capacity exceeding 25 kW. For systems with a capacity of 25 kW or less, no concurrence from NEPRA is required, and such installations are managed directly by the DISCOs. A detailed breakdown of the net-metering concurrences issued during this period is provided in the following table:

DISCO	Net-Metering Licence Issued (No.)	Installed Capacity (MW)	DISCO	Net-Metering Licence Issued (No.)	Installed Capacity (MW)
PESCO	208	24.62	MEPCO	887	139.79
TESCO	05	0.897	HESCO	28	4.71
IESCO	339	34.22	SEPCO	23	4.26
GEPCO	315	91.07	QESCO	15	4.72
LESCO	702	118.26	KE	604	59.41
FESCO	615	109.63			

Source: NEPRA

(vii) Modifications in the Existing Licenses

The Authority processed a total of twenty-three (23) applications for Licensee Proposed Modifications (LPMs) in existing generation licenses. Of these, the processing of seven (07) LPM cases was completed, resulting in the issuance of modifications. Below is a summary of the modified licenses:

S. No.	Name of Licensee	Licence No.	Modification/ Decision Issued
1	Helios Power (Pvt.) Limited	SPGL/20/2017	September 28, 2023
2	Meridian Energy (Pvt.) Limited	SPGL/22/2017	September 28, 2023
3	HND\$ Energy (Pvt.) Limited	SPGL/21/2017	September 28, 2023
4	Engro Powergen Qadirpur Limited	IGSPL/13/2007	December 18, 2023
5	Water and Power Development Authority	GL(Hydel)/05/2004	March 01, 2024
6	Water and Power Development Authority	GL(Hydel)/05/2004	March 01, 2024
7	Altern Energy Limited	IPGL/021/2004	April 01, 2024

Source: NEPRA

(viii) Expired Licenses

During the reporting period, several licenses and registrations expired, including four Generation Licenses with a combined installed capacity of 761.36 MW, the Distribution Licence for KE, and the Registration of CPPA-G.

The renewal of Uch Power Limited's generation licence is under review, considering the validity of the PPA.

The Distribution Licence for KE, which expired on July 20, 2023, was replaced with a new Distribution Licence and a Supplier Licence, ensuring continued operations under revised regulatory terms. To fill the regulatory gap, CPPA-G's registration has been extended until a new Registration as a Special Purpose Agent (SPA) is granted under Section 25 of the NEPRA Act. A summary of the expired licenses and registrations is provided in the following table:

S. No.	Name of Licensee	Installed Cap. (MW)	Licence/ Registration	Expiry Date
1	Nadeem Power Generation (Pvt.) Limited	2.805	SGC/031/2004	July 04, 2023
2	K-Electric (Distribution)	-	09/DL/2003	July 20, 2023
3	Aquagen (Pvt.) Limited	7.357	SGC/79/2012	July 26, 2023
4	Uch Power Limited	586.20	IPGL/014/2003	August 25, 2023
5	Steel Corporation (Pvt.) Limited	165	SGC/41/2008	September 24, 2023
6	K-Electric Limited (BPQS Unit 1 & Unit 2)	420	GL/04/2002	October, 2023
7	CPPA-G – Registration	-	MOR/01/2018	November 15, 2023
8	Altern Energy Limited	31.232	IPGL/021/2004	April 01, 2024
9	CPGCL (TPS Guddu Unit 5 to 13)	1,015.00	GL/02/2002	June, 2024

Source: NEPRA

(ix) Registration of PPIB and AEDB as Independent Auction Administrator

PPIB and AEDB, as the relevant entities under their respective mandates—AEDB for renewable technologies and PPIB for other technologies—submitted separate applications under Section 25A of the NEPRA Act for registration as IAA. These applications were processed concurrently. However, following the promulgation of the PPIB (Amendment) Act, 2023, on June 10, 2023, AEDB merged with PPIB, and the responsibilities of AEDB were transferred to PPIB by the operation of law. As a result, NEPRA closed the proceedings on AEDB's application and, on January 12, 2024, granted a single registration to PPIB to act as the IAA.

(x) Progress on Separation of System Operator and National Grid Company Functions of NTDC

Section 23G of the NEPRA Act mandates the separation of System Operator functions from the National Grid Company (NGC). The System Operator is responsible for overseeing the operation, dispatch, and integrated planning of the country's power system. To comply with this requirement, the Authority granted a System Operator Licence to NTDC.

Currently, the Federal Government is focused on establishing the Independent System and Market Operator of Pakistan (ISMO). The operationalization of ISMO will require the transfer of the Market Operator licence from CPPA-G and the System Operator licence from NTDC to ISMO. Once fully operational, ISMO will function as the technical and commercial backbone of Pakistan's electricity wholesale market, enabling integrated power system planning and facilitating more efficient market operations.

(xi) Progress on Separation of Market Operator as Special Purpose Agent Functions of CPPA-G

Historically, CPPA-G has performed both Market Operator and Agency functions under its Certificate of Registration, granted in accordance with Rule-3 of the NEPRA (Market Operator Registration, Standards, and Procedure) Rules. With the issuance of the Market Operator Licence and Market Commercial Code (MCC) on May 31, 2022, CPPA-G's Market Operator functions are now regulated under these new frameworks.

Upon granting the Market Operator Licence, the Authority directed CPPA-G to: (a) apply for registration as a Special Purpose Agent (SPA) for DISCOs and submit a draft Agency Code to facilitate its role as their agent; and (b) legally separate its SPA and Market Operator functions within one year. Until this separation, CPPA-G must ensure clear operational distinction between Market Operations and its agent role, ensuring independent, transparent, and impartial execution of Market Operations.

In line with Section 25A of the NEPRA Act, CPPA-G submitted its application for SPA registration, along with a draft Agency Code. The Authority reviewed the application and code, seeking stakeholder feedback. After considering the feedback, the Authority proposed significant revisions, directing CPPA-G to incorporate these changes. Deliberations on the final Agency Code are ongoing.

(xii) Indicative Generation Capacity Expansion Plan (IGCEP) and Transmission System Expansion Plan (TSEP)

NTDC/System Operator has submitted the Integrated System Plan 2024 (ISP-2024), which includes (a) the Indicative Generation Capacity Expansion Plan 2024-2034 (IGCEP-2024) and (b) the Transmission System Expansion Plan 2024-2034 (TSEP-2024) for the Authority's review and approval. A public notice seeking stakeholder comments was published on May 17, 2024, and a substantial number of responses were received. After reviewing the submitted draft, NTDC was directed to provide a revised version. However, despite the passage of considerable time, the revised iteration is still awaited.

4.2 TARIFF ACTIVITIES:

NEPRA, as the regulatory Authority, is responsible for establishing tariffs for Generation, Transmission, Distribution, and Supply across various categories of licensees. The detailed procedure for tariff determination is outlined in the NEPRA (Tariff Standards & Procedure) Rules, 1998. In FY 2023-24, NEPRA finalized tariffs for a wide range of generation technologies, as well as for electric power distribution and supply companies. This process ensures that tariffs accurately reflect operational costs while promoting transparency, fairness, and sustainability within the energy sector.

(i) Hydropower Projects

During FY 2023-24, the Authority processed WAPDA's tariff petition for FY 2022-23 and issued a determination on September 6, 2023, approving an average tariff of Rs. 4.9587/kWh for its hydropower projects. Dissatisfied with this decision, WAPDA filed a motion for leave to review, which the Authority considered and, on June 6, 2024, revised the approved average tariff to Rs. 6.1020/kWh.

Subsequently, on June 14, 2024, the Authority issued a decision in accordance with the NEPRA Act, 1997, and the NEPRA (Review Procedure) Regulations, 2009. This decision included an annexure outlining the Revenue Requirement, which incorporated Hydel levies for the Chichoki, Renala, and Mangla hydropower projects.

Additionally, the Authority reviewed a motion filed by Star Hydropower Limited regarding NEPRA's decision dated July 29, 2020, and, following the review, approved a levelized tariff of Rs. 8.3191/kWh for the project. Throughout FY 2023-24, the Authority issued various Tariff Determinations, Modifications, Review Decisions, and Adjustments/Indexations to ensure fair and transparent pricing in the energy sector.

List of Tariff Determinations, Modification and Review Decisions

S. No.	Name of the Plant	Capacity (MW)	Determination Date	Decision Sought
1	WAPDA	8,420	06-09-2023	Determination of the Authority – WAPDA Petition for FY 2022-23
			06-06-2024	Decision of the Authority – Motion for Leave for Review – WAPDA Petition for FY 2022-23
			14-06-2024	Decision of the Authority under NEPRA (Review Procedure) Regulations, 2009 – Motion for Leave for Review – WAPDA Petition for FY 2022-23
2	Patrind HPP	147	02-05-2024	Motion for Leave for Review

Source: NEPRA

List of Tariff Adjustments/Indexation of Tariff

S. No.	Name of Project
1	Laraib Hydropower Project: Decision Dates: 01-09-2023, 31-10-2023, 08-11-2023, 29-11-2023, 21-12-2023, 21-12-2023, 29-02-2024, 05-06-2024
2	Karot Hydropower Project: Decision Dates: 11-08-2023, 03-11-2023, 04-06-2024
3	Gulpur Hydropower Project: Decision Dates: 30-08-2023, 19-10-2023, 21-11-2023, 21-11-2023, 14-03-2024, 31-05-2024
4	Patrind Hydropower Project: Decision Dates: 19-10-2023, 14-11-2023, 18-04-2024, 06-06-2024
5	Malakand-III Hydropower Project: Decision Dates: 19-10-2023, 03-11-2023, 29-02-2024, 14-03-2024, 22-05-2024

S. No.	Name of Project
6	Jagran-I Hydropower Project: Decision Date: 19-10-2023
7	Chianwali Hydropower Project: Decision Date: 05-06-2024
8	Marala Hydropower Project: Decision Date: 05-06-2024
9	Pak Pattan Hydropower Project: Decision Date: 05-06-2024

Source: NEPRA

(ii) **Development of Projects through Competitive Bidding**

In accordance with the provisions of the ARE Policy, 2019, the Authority has approved the following Request for Proposals (RFPs) submitted by the AEDB (now PPIB) and KE for the development of renewable energy projects in the country through a competitive bidding regime:

- (a) AEDB (now PPIB): Competitive bidding for a 600 MW Solar PV Project in Muzaffargarh, Punjab. NEPRA also processed and issued a decision on the Review Motion related to this RFP.
- (b) K-Electric: Competitive bidding for a 150 MW Solar PV Project in the Winder and Bela Districts, Balochistan.
- (c) K-Electric: Competitive bidding for a 200 MW Site-Neutral Hybrid Project at the Dhabeji Grid Station.
- (d) K-Electric: Competitive bidding for a 150 MW Solar PV Project in West Karachi.
- (e) K-Electric: Competitive bidding for a 200 MW Solar PV Project in Malir, Karachi.

(iii) **Solar Power Projects**

During FY 2023-24, Zorlu Solar Pakistan Limited (ZSPL) submitted a modification petition for approval, which the Authority processed and issued a decision on. Following this, ZSPL filed another petition requesting an extension for the financial close and Commercial Operation Date (COD) timelines. This petition is currently under the Authority's consideration.

Additionally, Siachen Energy Limited submitted a tariff petition under the Cost-Plus Regime, which is also under review in NEPRA.

Atlas Solar Limited, formerly known as Zhenfa Pakistan New Energy Company (Pvt.) Limited, submitted a True-up application for tariff adjustment after achieving COD during FY 2022-23. The Authority processed this application and issued a decision during the reporting period.

(iv) **Wind Power Projects**

During FY 2023-24, the Authority processed the True-up application for Lucky Renewables (Pvt.) Limited, approving a levelized tariff of US Cents 4.5667/kWh (Rs. 7.2290/kWh). Verification of the claimed project costs, financial parameters, and the information submitted by several Wind IPPs—including Gul Ahmed Electric Limited, Din Energy Limited, Act 2 Wind (Pvt.) Limited, Artistic Wind Power (Pvt.) Limited, Metro Wind Power Limited, NASDA Green Energy (Pvt.) Limited, Liberty Wind Power 1 (Pvt.) Limited, Liberty Wind Power 2 (Pvt.) Limited, Lakeside Energy (Pvt.) Limited, and Indus Wind Energy Limited—is currently underway.

Additionally, two wind power projects, Western Energy (Pvt.) Limited (47.60 MW) and Trans Atlantic Energy (Pvt.) Limited (49.50 MW), submitted tariff petitions for approval under the NEPRA (Tariff Standards and Procedure) Rules, 1998. These cases are under review and are expected to be concluded in the near future.

(v) Bagasse-based Power Projects

Following the Islamabad High Court judgment and the Appellate Tribunal's decision on November 18, 2022, regarding the Suo Moto review of the bagasse pricing and adjustment mechanism for bagasse-based power projects, the matter was remanded to NEPRA for a fresh decision in accordance with the law. In response, the Authority initiated new proceedings to address the issue.

After completing the necessary due process, including consultations and reviews, the Authority issued a determination on the Appellate Tribunal's decision, modifying the fuel price mechanism for bagasse-based power projects.

(vi) Indexation/Adjustment of Tariff

In accordance with the indexation mechanism established by the Authority for wind, solar, hydel, and bagasse-based generation companies, tariff components were adjusted on a quarterly, bi-annual, and annual basis. These adjustments accounted for fluctuations in the US Consumer Price Index (CPI), the General CPI, exchange rates, and KIBOR/LIBOR during the reporting period.

(vii) Nuclear Power Plants

During FY 2023-24, the Authority issued the following decisions and determinations:

- (a) A decision was made regarding the tariff petition filed by the Pakistan Atomic Energy Commission (PAEC) to modify the tariff determination dated January 14, 2022, for KANUPP Unit-2 (K-2).
- (b) A decision was also issued concerning the tariff petition filed by the PAEC for the modification of the tariff determination dated February 28, 2023, for KANUPP Unit-3 (K-3).

(viii) Gas-based Power Plants

During FY 2023-24, the Authority issued following decision or determinations:

- (a) A decision regarding the provisional tariff requested by KAPCO was issued on August 04, 2023.
- (b) The Authority approved the interim tariff for open cycle operations on gas, as requested by CPGCL for its Block-I and Block-II, in February 2024.
- (c) On February 20, 2024, a decision was issued concerning the petition filed by Engro Powergen Qadirpur Limited for the modification of the fuel cost component in the reference tariff at the COD for its 226.52 MW project located in Qadirpur, District Ghotki, Sindh.

(ix) Coal-based Power Plants

During FY 2023-24, the Authority addressed the following petitions and applications related to coal-based power plants:

- (a) A decision was issued on July 26, 2023, regarding the tariff modification petition filed by CIHC Pak Power Company (Pvt.) Limited for its 300 MW coal-fired power generation project in Gwadar, Balochistan.
- (b) A decision was issued on May 14, 2024, concerning the request for an extension of the O&M Contract for the coal unloading jetty of Port Qasim Electric Power Company (Pvt.) Limited.
- (c) A decision was made on May 14, 2024, regarding the Motion for Leave for Review filed by CIHC Pak Power Company (Pvt.) Limited against the Authority's earlier decision dated July 26, 2023, related to the modification petition.

(x) Indexation/Adjustment of Thermal Tariffs

The Indexation/adjustments approved by the Authority during FY 2023-24 is given in the following table:

Adjustments	Quantity
Monthly Adjustment	315
Quarterly Adjustment	474
Annual Adjustment	50
Total	839

Source: NEPRA

(xi) Change of Base Year of Consumer Price Index

Pursuant to the Federal Government’s notification of NEPRA’s decision dated March 10, 2021, which changed the base year for the Consumer Price Index (CPI) from 2007-08 to 2015-16, the local O&M component of the tariffs for wind, solar, hydel, and bagasse-based projects was indexed and revised for the periods from October-December 2020 through July-September, 2023. Decisions reflecting these adjustments were issued accordingly during the reporting period.

(xii) Transition from LIBOR to SOFR

Following the Government of Pakistan’s approval to transition from LIBOR to SOFR, as communicated by the PPIB, NEPRA has decided to initiate Suo Moto proceedings on the matter. A hearing has been scheduled for September 05, 2024, and the case is currently under review.

(xiii) Distribution Companies

NEPRA determines different tariffs for each of the DISCOs, owing to their specific Distribution/ Supply Margin requirements, different T&D losses and consumer mix etc.; the GOP following its own socio-economic objectives provide subsidy or levy surcharge in order to make the consumer end tariff uniform, all across the country. The Authority after incorporating the same in its determined consumer-end tariff, issues the decision in this regard. The GOP implements the said tariff by notifying it in the Official Gazette.

Based on above methodology NEPRA decided annual adjustment/indexations of seven DISCOs i.e. PESCO, GEPCO, MEPCO, HESCO, SEPCO, QESCO and TESCO for the FY 2023-24, under their MYT vide decisions dated July 14, 2023. The Authority also allowed Interim Tariff to three DISCOs i.e. IESCO, LESCO and FESCO for FY 2023-24 dated July 14, 2023, subject to adjustment and/or refund, based on the final determination of the Authority in the matter of MYT petitions of these DISCOs, which were under process with the Authority. The tariff so determined was intimated to the Federal Government on July 14, 2023, for filling of uniform tariff application.

In the said tariff determination base consumer-end tariff of FY 2023-24, Tariff on National Average basis has been increased by Rs. 4.96/kWh to Rs. 29.78/kWh as compared to National Average Tariff of Rs. 24.82/kWh previously determined for FY 2022-23. The increase of Rs. 4.96/kWh in tariff was primarily on account of increase in fuel prices and induction of new plant capacities (Coal, Nuclear and RLNG Power Plants etc.), exchange rate impact and inflation.

Decision Date	Decision of DISCOs during June 2023 to July, 2024
14-07-2023	Decision of the Authority in the matter of Setting up of Power Purchase Price References for the FY 2023-24.
14-07-2023	Decision of the Authority in the matter of requests filed by IESCO, LESCO and FESCO for Determination of Interim Tariff for the FY 2023-24.
14-07-2023	Decision of the Authority in the matter of requests filed by PESCO, TESCO, GEPCO, MEPCO, HESCO, SEPCO, and QESCO for Adjustment/Indexation of Tariff for the FY 2023-24.

The detail of NEPRA Determined National Average Tariff for FY 2023-24, as compared to NEPRA Determined National Average Tariff for FY 2022-23 is tabulated below:

Description	FY 2022-23 (GWh)		FY 2023-24 (GWh)		Inc./ (Dec.) (GWh)	
	(Rs. Million)	(Rs./kWh)	(Rs. Million)	(Rs./kWh)	(Rs. Million)	(Rs./kWh)
Projected Sales of DISCOs	113,002		110,165		-2,837	
Energy Charge	1,152,357	10.20	840,462	7.63	-311,896	-2.57
Capacity Charge	1,250,959	11.07	1,874,334	17.01	623,375	5.94
Transmission and MOF	114,606	1.01	151,363	1.37	36,758	0.36
Power Purchase Price	2,517,922	22.28	2,866,159	26.02	348,237	3.73
DISCO Margin	244,189	2.16	341,403	3.10	97,214	0.94
PYA	42,409	0.38	73,599	0.67	31,191	0.29
Revenue Req. of DISCOs	2,804,520	24.82	3,281,162	29.78	476,641	4.96

In response thereof, the Federal Government filed Uniform Tariff Application and the same was decided by the Authority on July 25, 2023, and subsequently notified by the Federal Government on July 26, 2023, with effect from July 01, 2023.

The Authority on March 14, 2024, also issued MYT for IESCO, LESCO, and FESCO for five-year tariff control period i.e. FY 2023-24 to FY 2027-28 and intimated same to the Federal Government in light of NEPRA Act.

Decision Date	Decision of DISCOs during July 2023 to June, 2024
14-03-2024	Determination of the Authority in matter of Petition filed by IESCO, LESCO, and FESCO for Determination of Distribution Tariff under MYT Regime for the FY 2023-24 to FY 2027-28.
14-03-2024	Determination of the Authority in matter of Petition filed by IESCO, LESCO, and FESCO for Determination of Supply Tariff under MYT Regime for the FY 2023-24 to FY 2027-28.

NEPRA Act and the notified decision of the DISCOs provides mechanism for certain adjustments to be made in the allowed tariff on monthly, and quarterly basis. In terms of second proviso to section 31(4) of the Act 1997, the Authority is required to make adjustments in approved tariff on account of fuel price, the Authority has determined the following monthly FCAs during the period under consideration:

Month of FCA's Decision	Rates (Rs./kWh)	Decision Date	Month of FCA's Decision	Rates (Rs./kWh)	Decision Date
July, 2023	1.4630	08-09-2023	January, 2024	7.0562	26-02-2024
August, 2023	1.7141	05-10-2023	February, 2024	4.9213	08-04-2024
September, 2023	0.4014	08-11-2023	March, 2024	2.8372	08-05-2024
October, 2023	3.0786	05-12-2023	April, 2024	3.3321	06-06-2024
November, 2023	4.1276	04-01-2024	May, 2024	3.3287	05-07-2024
December, 2023	4.5671	02-02-2024	June, 2024	2.5627	08-08-2024

In terms of proviso (ii) to section 31(7) of the Act 1997, the Authority may, on a quarterly basis and not later than a period of fifteen days, make quarterly adjustments in the approved tariff on account of capacity and transmission charges, impact of transmission and distribution losses, variable operation and maintenance and, policy guidelines as the Federal Government may issue and, intimate the tariff so adjusted to the Federal Government prior to its notification in the Official Gazette.

Pursuant to the above proviso, Quarterly Adjustments are determined and charged/passed on to the consumers in their monthly bills. Details of Quarterly Adjustments of DISCOs decided by the Authority

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for the period under consideration are tabulated below:

Decision Dated	Quarterly Adjustments Period	Allowed National Average (Rs./kWh)	Applicability Period (with effect from)
04-07-2023	FY 2022-23 (3 rd Quarter)	1.2489	July 2023 to October, 2023
22-09-2023	FY 2022-23 (4 th Quarter)	3.2814	October 2023 to March, 2024
20-12-2023	FY 2023-24 (1 st Quarter)	1.1502	January 2024 to March, 2024
28-03-2024	FY 2023-24 (2 nd Quarter)	2.7492	April 2024 to June, 2024

In addition, DISCOs also filed their Annual Adjustment/Indexation requests for determination of consumer-end tariff for FY 2024-25 and the same was also decided by the Authority vide decision dated 14-06-2024 and intimated same to the Federal Government for filing of Uniform Tariff application in light of NEPRA Act. In the said tariff determination base consumer-end tariff of FY 2024-25, on National Average basis has been increased by Rs. 5.72/kWh to Rs. 35.50/kWh as compared to National Average Tariff of Rs. 29.78/kWh previously determined for FY 2023-24.

The detail of NEPRA Determined National Average Tariff for FY 2024-25, as compared to NEPRA Determined National Average Tariff for FY 2023-24 is tabulated below:

Description	FY 2023-24 (GWh)		FY 2024-25 (GWh)		Inc./ (Dec.) (GWh)	
	(Rs. Million)	(Rs./kWh)	(Rs. Million)	(Rs./kWh)	(Rs. Million)	(Rs./kWh)
Projected Sales of DISCOs	110,165		106,152		-4,013	
Energy Charge	840,462	7.63	1,161,257	10.94	320,795	3.31
Capacity Charge	1,874,334	17.01	1,952,495	18.39	78,161	1.38
Transmission and MOF	151,363	1.37	163,755	1.54	12,391	0.17
Power Purchase Price	2,866,159	26.02	3,277,506	30.88	411,347	4.86
DISCO Margin	341,403	3.10	390,501	3.68	49,098	0.58
PYA	73,599	0.67	99,953	0.94	26,354	0.27
Revenue Req. of DISCOs	3,281,161	29.78	3,767,960	35.50	486,799	5.72

(xiv) **K-Electric Limited**

During the FY 2023-24, the Authority decided in the matter of monthly FCA requests filed by KE for the months of July 2023 till June 2024 as under:

Month of FCA's Decision	Rates (Rs./kWh)	Decision Date	Month of FCA's Decision	Rates (Rs./kWh)	Decision Date
July, 2023	1.7111	06-06-2024	January, 2024	2.9696	06-06-2024
August, 2023	0.6608	06-06-2024	February, 2024	-1.8180	06-06-2024
September, 2023	1.3946	06-06-2024	March, 2024	-1.9716	06-06-2024
October, 2023	4.4941	06-06-2024	April, 2024	-1.6716	05-07-2024
November, 2023	1.7704	06-06-2024	May, 2024	2.5934	21-08-2024
December, 2023	0.7930	06-06-2024	June, 2024	3.1688	21-08-2024

The Authority during the reporting period also decided (06) different motions/petitions, with respect to the consumer-end tariff of KE.

(xv) **Market Operator Fee**

On June 27, 2024, the Authority determined the Market Operator Fee for CPPA-G for FY 2023-24 and forwarded it to the Federal Government for notification in the Official Gazette of Pakistan.

4.3 TECHNICAL ACTIVITIES:

NEPRA has approved Power Purchase Agreements (PPAs)/Energy Purchase Agreements (EPAs)/PAR/PAC/ICA of following Projects:

- (a) PPA of WAPDA Power Plants
- (b) PAC for 2.6 MW Machai HPP with PESCO
- (c) EPA of 36.6 MW Daral Khwar HPP with CPPA-G
- (d) EPA of 18 MW Pehur HPP with CPPA-G
- (e) PAC of 10.2 MW Jabori HPP with PESCO
- (f) Tripartite Power Purchase Agreement (TPPA) between CPPA-G, NTDC, and the PAEC for the K-2 and K-3 Nuclear Power Plants.
- (g) Amendment No. 1 to the PPA between CPPA-G and the Port Qasim Coal Power Plant.
- (h) Amendment No. 1 to the PPA of 660 MW Lucky Electric Power Company Limited located at Port Qasim. ICA by NEPRA to be signed between NTDC and KE.

NEPRA has played a vital role for Industry-Academia Linkages. To bridge the gap between Academia and Industry, a portal/matchmaker has been created in the month of July 2023. Around 70 institutions and industries has joined the portal.

NEPRA has determined Investment Plan and Losses Assessment of KE for MYT Tariff Control Period from FY 2023-24 to FY 2029-30. However, KE has filed the motion for leave for review against the said determination of the Authority which is under deliberation by the Authority.

NEPRA has processed the reviews filed by IESCO and FESCO against the decision of the Authority in the matter of Investment Plan and Losses Assessment for control period from FY 2023-24 to FY 2027-28.

NEPRA has also processed the revised Transmission Investment Plan (TIP) of NTDC for three-year tariff control period from FY 2022-23 to FY 2024-25.

Additionally, Technical Department remained actively engaged in the development of the regulatory framework of EV in Pakistan, climate financing issues.

4.4 MONITORING AND ENFORCEMENT ACTIVITIES:

4.4.1 MONITORING ACTIVITIES IN GENERATION SECTOR

(i) Upgradation of Data Exchange Portal (Generation Module):

The Data Exchange Portal has been developed to facilitate the online acquisition and monitoring of daily data related to KPIs from all operational power plants. All operational power plants have successfully registered on the portal and consistently upload data regarding operational parameters such as availability, outages, service hours, and dependable capacity. To ensure timely data submission, automated email reminders are sent to the concerned power plants in case of delays. NEPRA has made significant strides in enhancing the monitoring of licensee performance and compliance by leveraging advanced technology, ensuring greater transparency and efficiency in regulatory oversight.

(ii) Performance Evaluation Reports of Thermal Power Plants:

The quarterly reports submitted by all operational power plants for FY 2022-23, in accordance with the NEPRA Performance Standards (Generation) Rules, 2009, were thoroughly reviewed. This detailed assessment led to the preparation of a comprehensive PER, which underwent an extensive approval process before being published on the NEPRA website. The PER for FY 2023-24 is currently under development and will be published soon.

This evaluation is a crucial tool for assessing the operational efficiency, reliability, and regulatory compliance of power generation facilities nationwide. It offers valuable insights into performance metrics, identifies areas for improvement, and highlights compliance with established standards. By making this report publicly available, NEPRA aims to foster transparency, accountability, and informed discussions among stakeholders, thereby contributing to the overall enhancement of the power sector.

(iii) Under-Utilization of Efficient Power Plants-Non-Compliance of EMO:

(a) National Transmission and Despatch Company Limited

NEPRA has been closely monitoring the System Operator's operations, identifying significant constraints within the transmission network that have led to the costly operation of inefficient power plants, negatively impacting consumers and the energy economy.

In FY 2023-24, NEPRA calculated/estimated a financial loss of Rs. 67,582 million, primarily due to the operation of expensive power plants and the curtailment of more economical generation sources. Of this, Rs. 60,386 million was attributed to transmission system constraints, particularly the South-North constraint, which limits the flow of electricity from cost-effective generation resources in the south to demand centers in the north.

An additional Rs. 7,196 million of the financial impact stemmed from factors such as underutilization of generation plants due to contractual obligations, poor planning by the system operator, and incorrect unit commitment decisions. These issues exacerbate reliance on costly generation, further inflating electricity production costs.

NEPRA's monitoring has underscored the South-North constraint as a critical issue, highlighting the limitations of HVDC and HVAC corridors, which restricts efficient power transfer and drive-up costs for consumers.

(b) K-Electric Limited

NEPRA conducted a comprehensive review of KE's power plants and identified significant cost impacts

primarily due to lower gas and RLNG pressures, as well as the reliance on more expensive units at BQPS-I. Additionally, NEPRA noted operational challenges at BQPS-III, which, despite being one of the most economical plants in KE's portfolio, could not operate at optimal capacity due to technical issues with its turbine.

Between July 2023 and April 2024, these operational difficulties led to a financial impact of Rs. 1,776 million, primarily from lower gas and RLNG pressures at KGTPS, SGTPs, and KCCPP, along with the use of residual fuel oil (RFO) at BQPS-I. An additional Rs. 7.6 million was incurred due to the use of high-speed diesel (HSD) at KCCPP and the underutilization of BQPS-I units.

(iv) Legal Proceedings Concluded during FY 2023-24:

During the reporting period, NEPRA concluded legal proceedings against several generation licensees, resulting in the following actions:

- (a) NEPRA accepted CPPA-G's response to a Show Cause Notice regarding the non-submission of initialled PPAs, EPAs, and TPPAs for NEPRA's approval before executing these documents.
- (b) NEPRA accepted responses from the PEDO and CPPA-G regarding the explanations issued for delays in commissioning the Daral Khwar Hydropower Project.
- (c) NEPRA accepted the responses from PEDO and PESCO concerning delays in commissioning and the non-execution of the EPA for the Machai Hydropower Project.
- (d) The Authority imposed a fine of Rs. 50 million on CPGCL on account of acquisition of a gas booster compressor station from Engro Fertilizers without cost, in exchange for the utilization of gas quota, and its subsequent transfer to NPGCL for Rs. 1.242 billion.
- (e) The Authority accepted the responses submitted by Engro Powergen Thar and NPPMCL (Balloki) against the Explanation issued in lieu of the total power system collapse occurred on January 23, 2023.
- (f) CPGCL filed a review motion against Order of the Authority regarding imposition of fine on GPGCL in the matter of prolonged forced outage of unit 14 of Guddu 747. After due legal process, the Authority rejected the review motion and upheld its earlier decision.

(v) Legal Proceedings Under Process:

The following legal proceedings initiated against various licensees are currently ongoing:

- (a) Show Cause Notice issued to CPGCL on account of tripping and fire incident involving ST-16 of the Guddu 747 CCPP.
- (b) Show Cause Notice issued to WAPDA on account of availing higher outages by some of its hydropower stations than allowed limit as specified in the PPA.
- (c) Show Cause Notice issued to CPPA-G for failing to impose LDs on WAPDA for the higher outages recorded at its hydropower stations.
- (d) Show Cause Notice issued to WAPDA regarding the non-performance of the Golen Gol Hydropower Project since its commissioning.
- (e) Show Cause Notices issued to CPPA-G and NTDC/NPCC regarding the non-finalization of operating procedures for several power plants, as well as the lack of signed black start procedures with various facilities.
- (f) Show Cause Notices issued to Huaneng Shandong Ruyi (Pakistan) Energy, Saba Power, Rousch (Pakistan) Power, Lucky Electric Power and KE in lieu of the total power system collapse occurred on January 23, 2023. Similarly, Explanations issued to Quaid-e-Azam Thermal Power, Port Qasim Electric Power, China Power Hub, CPGCL and Tapal Energy in lieu of the total power system collapse occurred on January 23, 2023.

- (g) Explanation issued to KAPCO regarding the extension of its PPA with CPPA-G by 485 days, which extends beyond the term of its generation license, prior to applying for its renewal.
- (h) Explanation to WAPDA was also issued due to repeated tripping of its generating units thereby causing delay in system restoration in wake of the power system collapse occurred on January 23, 2023.
- (i) Explanations issued to several power plants—including Halmore Power, Narowal Energy, Lal Pir Power, NPGCL (Nandipur), Orient Power, Saif Power and Sapphire Power — regarding delays in synchronizing with the national grid. These delays were notably linked to the blackout that occurred on January 23, 2023.

(vi) Operating Procedures and Black Start Facility:

The Authority has identified significant shortcomings in the operations of NTDC, NPCC, and CPPA-G, including the failure to finalize operating procedures with several power plants and the non-activation of black start facilities at critical locations. These black start capabilities are essential for restoring power in the event of a blackout.

In response to these issues, the Authority held a hearing to evaluate the positions presented by NTDC/ NPCC and CPPA-G regarding the delays in finalizing the operational procedures. Given the critical impact on the reliability and efficiency of the power system, the Authority concluded that such lapses cannot be ignored. Consequently, Show Cause Notices have been issued to both NTDC/NPCC and CPPA-G.

4.4.2 MONITORING ACTIVITIES IN TRANSMISSION SECTOR

(i) Data Exchange Portal (Transmission Module):

To ensure timely compliance, efficient report submission, and improved visibility for senior management regarding transmission licensees, NEPRA has implemented a three-level supervision mechanism. This framework allows for effective monitoring of compliance with regulatory requirements.

As part of this initiative, all transmission licensees are now required to submit key operational data—including the System Average Interruption Frequency Index (SAIFI), System Average Interruption Duration Index (SAIDI), Energy Not Supplied (ENS), number of interruptions, and frequently occurring violations—on a monthly basis. This data is now readily accessible via the Data Exchange Portal, enhancing transparency and facilitating more efficient oversight.

(ii) Performance Evaluation Report of Transmission Sector:

The quarterly reports submitted by all transmission licensees for FY 2022-23, in accordance with the NEPRA Performance Standards (Transmission) Rules, 2009, were thoroughly reviewed. This comprehensive assessment led to the development of a detailed PER for FY 2022-23, which evaluates the performance of NTDC, KE, FTCL, and STDC based on the criteria set forth in the Performance Standards (Transmission) Rules, 2005.

The report focuses on key metrics such as System Reliability, Security of Supply, and Quality of Supply, providing a detailed analysis of the effectiveness of transmission networks throughout the reporting period. It highlights critical performance indicators and their implications for the transmission sector, offering valuable insights into the implementation and overall performance of these standards. Notably, this evaluation marks the first inclusion of data from FTCL and STDC, alongside a comprehensive analysis of various technical challenges affecting performance.

The report's conclusions offer actionable recommendations to address identified issues and enhance transmission operations' efficiency. Following approval from the Authority, the PER for FY 2022-23

was published on the NEPRA website, and the outlined recommendations and remedial measures have been communicated to all transmission licensees for timely implementation. The PER for FY 2023-24 is currently under development.

(iii) Monitoring of Transmission System Constraints:

NEPRA is closely monitoring the progress of NTDC's system removal plan, which aims to address network constraints that hinder the optimal utilization of power generation capacity. To promote transparency and streamline data submission, NEPRA has developed a dedicated online portal for NTDC to provide regular updates on system constraints. These constraints have resulted in the underutilization of efficient power plants and the forced operation of costly, out-of-merit power plants, violating the Economic Merit Order (EMO).

In response, NEPRA is actively overseeing NTDC's performance and has issued clear directives to expedite the resolution of these constraints. The online portal facilitates NTDC's submission of updated data on system limitations, with automated features for tracking monthly, quarterly, and annual progress.

Furthermore, NEPRA is implementing an automated data analysis process to generate comprehensive progress reports on a monthly, quarterly, and annual basis. This automation will ensure that data is presented in an easily digestible format, enhancing the Authority's ability to make informed decisions and take timely action.

(iv) Legal Proceeding Initiated Against Transmission Licensees:

The legal proceedings against the transmission licensee NTDC are as follows:

- (a) A fine of Rs. 10 million was imposed on NTDC following a partial blackout in September 2021 caused by a fault at the 500 kV Jamshoro grid station.
- (b) A fine of Rs. 10 million was imposed on NTDC due to the collapse of a tower resulting from cyclonic winds in the South region.
- (c) NEPRA imposed a fine of Rs. 10 million on NTDC in connection with a fatal accident. This decision was subsequently challenged by NTDC in the NEPRA Tribunal.
- (d) Regarding the under-construction and energised 220 kV Jhimpir-II grid station, the Authority has suspended ongoing legal proceedings pending verification of NTDC's claim that 90% of the electrical works have been completed. NTDC has been directed to complete the outstanding civil works, which are still in progress, within a six-month timeframe.
- (e) NEPRA issued an explanation to NTDC for non-compliance with the Authority's directives regarding the reimbursement of power dispersal costs to Nandipur.
- (f) Following a detailed inquiry into the total power blackout that occurred on October 13, 2022, NEPRA issued an explanation to NTDC.

(v) Approval of Policies by NTDC: Handing Over/Taking Over of NTDC Assets and Compensation Policy for Right of Way and Land Acquisition:

NEPRA observed significant delays, incomplete works, cost escalations, and time overruns in both developmental and operational projects related to NTDC's grid stations and transmission lines. The Authority identified that the lack of a standardized policy or SOP for asset compensation and the formal handing over and taking over of assets was contributing to these challenges.

To address these issues, NEPRA directed NTDC to develop a comprehensive Handing/Taking Over and Asset Compensation Policy. In response, during FY 2023-24, NTDC submitted the "Handing Over/Taking Over of NTDC Assets" and the "Compensation Policy for Right of Way and Land Acquisition", both duly approved by the Board of Directors (BOD). These policies are expected to eliminate existing gaps, enhance transparency, and improve efficiency in the construction and operation of NTDC's transmission system projects.

(vi) Establishment of Safety Directorate within all field formations of NTDC:

It is the responsibility of all licensees to establish an independent Directorate or Department of Occupational Health, Safety, and Environment. Due to NTDC's failure to form such a Safety Directorate, legal actions were initiated against the organization. In response to these regulatory requirements, NTDC has appointed a Deputy Director/Executive Engineer at the circle level, who is now responsible for overseeing safety practices. This officer will also lead the training and instruction of staff and officers, ensuring the swift implementation and enforcement of necessary safety standards as a priority.

4.4.3 MONITORING ACTIVITIES IN DISTRIBUTION SECTOR

(i) Data Exchange Portal (Distribution Module):

The Online Data Exchange Portal is used to collect essential monthly data from all DISCOs, covering key metrics such as loading positions, TOU meters, damaged transformers, pending new connections, defective meters, and power outage restoration times. This data is analyzed to develop and implement strategic measures aimed at improving the performance of each DISCO. To further enhance oversight and accountability, a three-tier supervision mechanism has been introduced within the distribution sector. This system ensures more effective monitoring and facilitates the timely addressing of performance issues.

(ii) Performance Evaluation Reports of Distribution Sector:

NEPRA established the Performance Standards for Distribution Regulation (PSDR) 2005, which requires each DISCO to submit a PER by August 31st of the following year. The PER offers a detailed overview of each DISCO's adherence to regulatory standards, including System Performance Reports, Consumer Service Performance Reports, and self-assessments, alongside improvement plans and targets.

The PER submitted by DISCOs for FY 2023-24 are currently under review. This evaluation focuses on key performance indicators such as T&D losses, recovery rates, SAIFI, SAIDI, new connection timelines, load-shedding events, voltage levels, consumer complaints, safety standards, and fault rates. Once the analysis of these reports is finalized and approved, it will be published on the NEPRA website.

(iii) Establishment of Safety Directorate:

In accordance with Section 7.1 of the NEPRA Power Safety Code, all licensees are required to establish independent Safety Directorates or Departments dedicated to Occupational Health, Safety, and Environmental management. Due to non-compliance with this requirement, legal actions have been initiated against HESCO, SEPCO, and QESCO for failing to establish their respective Safety Directorates.

(iv) Monitoring of Load-Shedding:

DISCOs have been implementing load-shedding based on AT&C losses on their feeders, a practice that does not align with NEPRA Performance Standards and has never been authorized by the Authority. NEPRA actively monitors load-shedding practices through its Regional Offices, conducting field assessments and randomly selecting feeders each week to ensure compliance with established guidelines.

Data analysis has revealed that DISCOs have not only violated NEPRA's standards but also deviated from their own policies by extending load-shedding beyond the scheduled times. In response to these infractions, the Authority initiated legal proceedings against HESCO, SEPCO, QESCO, PESCO, and KE. Following the due legal process, the Authority imposed a fine of Rs. 50 million on relevant DISCOs for failing to comply with NEPRA regulations.

(v) Earthing/Grounding of Distribution Network: A Safety Neglect by DISCOs:

NEPRA's investigations into fatal accidents at various DISCOs have identified inadequate earthing and grounding of the distribution network as a major contributing factor. In response, NEPRA directed

DISCOs to submit detailed plans with clear timelines to implement proper earthing and grounding for all high-tension (HT) and low-tension (LT) poles and structures.

Despite this directive, DISCOs have made slow and inadequate progress in addressing the issue. As a result, NEPRA initiated legal action, issuing Show Cause Notices and imposing fines of Rs. 10 million on FESCO, LESCO, IESCO, and GEPCO, with other cases under advanced processing.

Although DISCOs have received adequate funding under investment and O&M budgets, they have failed to rectify the earthing deficiencies, continuing to put both employees and the public at risk. Despite NEPRA's instructions to conduct surveys, identify unsafe structures, and implement corrective plans, many DISCOs, even after collecting consumer deposits, have not completed the necessary grounding work. This negligence has contributed to fatal accidents and ongoing safety risks.

NEPRA has set a firm deadline of December 2024 for the completion of earthing on steel structures, with recurring financial penalties for non-compliance. The continued neglect of these critical safety measures highlights a significant governance failure within DISCOs, demonstrating a disregard for safety and consumer welfare.

(vi) AMI/AMR in IESCO System:

During the MYT determination process for IESCO, it was revealed that the DISCO had launched a significant AMI and AMR project. This ambitious initiative aims to install AMR meters at both the distribution transformer level and on individual consumer connections, with a focus on the Rawalpindi and Cantt Circles.

To support this initiative, NEPRA held a meeting with IESCO, during which the utility presented a comprehensive overview of the AMI/AMR project. The Authority acknowledged IESCO's proactive approach and highlighted the potential benefits of advanced metering technology, including improved billing accuracy, reduced revenue losses, and enhanced demand management. Recognizing the critical importance of successful implementation, NEPRA directed IESCO to submit monthly progress reports on the execution of the AMI/AMR project to ensure timely and effective deployment.

(vii) AMI/AMR in KE System:

In light of KE's installation of AMI and AMR meters at the PMT level, the Authority directed the utility to implement load-shedding strategies at the PMT level as needed, in accordance with the provisions outlined in the Applicable Documents.

To facilitate this transition, KE was instructed to develop and submit a comprehensive load-shedding plan. However, KE identified several challenges in executing this directive. In response, multiple meetings were held, during which the Authority emphasized the importance of identifying viable solutions for the remote disconnection and reconnection of meters. KE was encouraged to explore innovative design and development approaches to effectively address these challenges.

However, despite several meetings, the desired objectives of the project have yet to be fully achieved.

(viii) Interconnection Issues in respect of Small Renewables Projects:

The Authority took note of the delays in grid interconnection for Access Solar (Pvt.) Limited and Access Electric (Pvt.) Limited, which led to substantial financial losses for the national exchequer. As a result, legal proceedings were initiated against IESCO, and a Show Cause Notice was issued in accordance with the NEPRA (Fine) Regulation, 2021.

(ix) System Constraints of DISCOs:

DISCOs are currently grappling with several constraints that significantly hinder their efficiency and reliability. These challenges include aging infrastructure, limited capacity, and geographical obstacles, which result in frequent power outages and difficulties in providing consistent electricity to certain regions. Additionally, technical issues such as grid stability, high T&D losses, and ensuring a reliable power supply further complicate operations for DISCOs.

To address these concerns, substantial funds have been allocated to DISCOs through their Investment Plans, focusing on infrastructure upgrades and improved service delivery. NEPRA is actively monitoring the allocation and utilization of these funds to ensure they lead to meaningful improvements in performance and service quality for consumers.

However, it has been noted that DISCOs have been unable to effectively utilize the allocated investment funds, resulting in a failure to achieve the desired targets despite the significant investments. This underperformance has hindered the expected improvements in infrastructure and service delivery, preventing the realization of the intended benefits for consumers.

4.4.4 SUMMARY OF ACTIONS TAKEN AND FINE IMPOSED ON LICENSEES WITH RESPECT TO NON-COMPLIANCE OF NEPRA'S APPLICABLE DOCUMENTS

NEPRA has remained proactive in enforcing its rules, regulations, and standards, taking strict actions against licensees for non-compliance. However, the process of initiating and concluding legal proceedings is often lengthy, sometimes exceeding a year. Even after decisions are made, they are frequently challenged at the regulatory level, appealed to the NEPRA Appellate Tribunal, and litigated in higher courts, which weakens the deterrent effect. Additionally, the recovery rate of fines remains low.

The table below provides a summary of cases, fines imposed, challenges in higher forums, and fines deposited from FY 2015-16 to June 30, 2024.

Description	Generation	Transmission	Distribution	Total
Total Number of Cases	39	08	47	94
Total Amount of Fine Imposed (Rs. Million)	699.05	56	1,125.55	1,880.60
Total Cases Challenged in NAT/High Courts	23	04	19	46
Total Amount of Fine (Rs. Million) Challenged in NAT/High Courts	259.05	26	469	754.05
Total Cases sent to Collector	08	01	07	16
Total Amount of Fine (Rs. Million) to be recovered by Deputy Collector	250	05	68	323
Total Number of Cases Won/Disposed	NIL	01	09	10
Total Amount of Fine Deposit (Rs. Million) in NEPRA	NIL	5.00	218.05	223.05
Total Number of Cases under Review in NEPRA	08	02	12	22
Total Amount of Fine (Rs. Million) under Review in NEPRA	190	20	370.50	580.50

* NAT = NEPRA Appellate Tribunal

4.5 CONSUMER AFFAIRS ACTIVITIES:

NEPRA is tasked with addressing consumer complaints against DISCOs/Licensees. To improve consumer satisfaction, NEPRA has established ten Regional Offices across the country to handle these complaints. Additionally, a significant number of complaints are received via Pakistan's Citizens Portal for resolution. The table below presents a DISCO-wise breakdown of complaints received, processed, and resolved at both the NEPRA Head Office and its Regional Offices for FY 2023-24.

Status of Consumer Complaints (Head Office and Regional Offices) (July 2023 to June 2024)

DISCO	Total Complaints Received/Processed	Total Complaints Disposed Off	Total No. of Complaints under Process
PESCO	747	406	341
TESCO	3	1	2
IESCO	391	353	38
GEPCO	646	469	177
LESCO	3,056	1,975	1,081
FESCO	852	722	130
MEPCO	1,555	1,428	127
HESCO	1,737	1,586	151
SEPCO	1,202	1,100	102
QESCO	131	73	58
KE	6,862	6,376	486
Pakistan Citizen Portal	1,006	1,006	0
Total	18,188	15,495	2,693

Source: NEPRA

(i) Complaints and Hearings

The Consumer Affairs Department, spanning both the Head Office and Provincial/Regional Offices, received and processed 18,188 complaints from July 1, 2023, to June 30, 2024. Of these, 15,495 complaints were successfully redressed or resolved, while 2,693 remained under process. Additionally, a total of 5,595 hearings were conducted during this period, including online sessions and those held at the Head Office and Regional Offices, with appropriate directions issued following each hearing.

(ii) Court Cases/Major Cases Processed/Decided

The Consumer Affairs Department successfully processed and resolved 26 writ petitions, complaints, and cases referred by various courts of law between July 1, 2023, and June 30, 2024. Additionally, the Complaints Resolution Committee addressed 220 major cases and complaints during the same period, issuing appropriate directions and speaking orders as necessary.

(iii) Other Major Activities

To prevent fatal incidents, all DISCOs including KE, have been directed to verify test reports submitted by consumers or applicants before energizing connections. Consumers must also submit a fresh test report in the event of any load modifications, such as extensions or reductions.

(a) The following directives have been issued to all DISCOs including KE:

- Detection bills must be issued separately, detailing the reason, number of units, period of the detection bill, and applicable taxes.
- A display board indicating timelines for new connections should be installed at each XEN and SDO office.

- Zoom facilities should be made available at every SDO and Regional Office for the prompt redressal of consumer complaints with NEPRA's intervention.
- (b)** The Authority took serious notice of overcharging and excessive billing by DISCOs. A hearing was conducted on September 12, 2023, attended by the CEOs of all DISCOs including KE. Following the Inquiry Committee's report on the excessive billing violations in July and August 2023, the Authority issued explanations to the delinquent DISCOs and conveyed directives for bill adjustments based on the report's recommendations.
- (c)** To assist victims of human rights violations, all DISCOs including KE, have been directed to print the "Helpline 1099" number on electricity bills for the Zainab Alert Response and Recovery Agency (ZARRA).
- (d)** To maintain transparency and service quality, the Authority has directed NEPRA Regional Office teams to conduct audits of DISCOs regarding the backlog of new connections and the replacement of defective meters.
- (e)** All DISCOs have been instructed to refrain from disconnecting electricity supply for a single month's default on current bills.
- (f)** The Authority has addressed numerous complaints regarding delays in processing net-metering applications. Directions were issued to all DISCOs to prioritize the processing of applications from eligible consumers without discrimination.
- (g)** All DISCOs including KE, must process net-metering applications submitted by consumers—either in person or through registered vendors or installers—strictly in accordance with NEPRA's (Alternative & Renewable Energy) Distributed Generation and Net-Metering Regulations, 2015.
- (h)** The Authority has approved multiple amendments to the CSM.
- (i)** To facilitate consumers in lodging complaints against all DISCOs, a mobile application titled "NEPRA ASAAN APPROACH" is currently under development. (at the time of publication of this report, the app is live and the same can be accessed through given QR Code)
- (j)** A webinar was held on January 29, 2024, to familiarize DISCO officials with the "NEPRA ASAAN APPROACH."
- (k)** To ensure uninterrupted power supply to medical facilities and hospitals with a load of 25 kW and above that include admission and operation theatre facilities, all DISCOs, including KE, have been directed to:
 - Exempt hospitals served by independent or dedicated feeders from load-shedding immediately.
 - Transfer hospitals from higher loss feeders to low loss feeders on a cost deposit basis.
 - Make arrangements to exempt hospitals from load-shedding, subject to technical feasibility, also on a cost deposit basis.
- (l)** KE has been directed to take all necessary measures to curb illegal electricity distribution within its jurisdiction. This includes issuing notices to consumers involved in obtaining illegal electricity from unauthorised sources (such as unlawfully installed generators) and reporting such activities to law enforcement agencies and Electric Inspectors for legal action.
- (m)** In response to multiple complaints, PESCO has been directed to approve the Standard Operating Procedure (SOP) for the payment of costs for exported units to distributed generators.

- (n)** PESCO has also been instructed to align its SOP for net-metering connections with NEPRA Net-Metering Regulations and to process applications from eligible consumers on a non-discriminatory basis.
- (o)** All DISCOs including KE, have been directed to reassess load-shedding practices, especially during examination periods.
- (p)** An explanation has been issued to FESCO under NEPRA (Fines) Rules, 2002, and NEPRA (Fine) Regulations, 2021, concerning its imposition of restrictions on net-metering connections for electricity consumers.

4.6 NEPRA APPELLATE TRIBUNAL BOARD ACTIVITIES:

The Authority has established an Appellate Board to adjudicate appeals submitted to NEPRA against decisions made by the Provincial Offices of Inspection under Section 38 of the NEPRA Act, 1997. Below is a summary of the appeals and review petitions considered by the Appellate Board during FY 2023-24:

(i) Appeals

DISCO	Pending as on 01 July, 2023	Filed from 01 st July 2023 to 30 th June, 2024	Total	Decided	Balance as on 30 th June, 2024
PESCO	9	9	18	10	8
TESCO	1	0	1	0	1
IESCO	9	5	14	4	10
GEPCO	21	7	28	16	12
LESCO	84	43	127	111	16
FESCO	27	26	53	43	10
MEPCO	15	11	26	14	12
HESCO	1	1	2	1	1
KE	4	9	13	4	9
Total	171	111	282	203	79

Source: NEPRA Appellate Board

(ii) Review Petitions

DISCO	Pending as on 01 July, 2023	Filed from 01 st July 2023 to 30 th June, 2024	Total	Decided	Balance as on 30 th June, 2024
PESCO	0	2	2	0	2
IESCO	2	2	4	0	4
LESCO	4	3	7	5	2
FESCO	0	1	1	1	0
MEPCO	0	3	3	0	3
KE	1	1	2	1	1
Total	7	12	19	7	12

Source: NEPRA Appellate Board

4.7 LEGAL ACTIVITIES:

(i) Promulgation of New Regulations/Guidelines and Amendments in NEPRA Rules/Regulations/Guidelines/Codes

In accordance with Section 47 of the NEPRA Amended Act, 2018, NEPRA is tasked with developing Regulations that govern the conduct, procedures, duties, responsibilities, and terms and conditions of licensees or registered entities, provided they do not conflict with the Act and Rules. In the FY 2023-24, NEPRA notified the following amendments in the existing Regulations in the Official Gazette of Pakistan:

- (a) Amendment in NEPRA (Uniform System of Accounts) Regulations, 2022 notified vide 1501(I)/2023 dated October 30, 2023; and
- (b) Amendment in NEPRA (Fees) Regulations, 2021 notified vide 567(I)/2024 dated April 09, 2024.

(ii) Status of Pending Legal Cases

As on June 30, 2024, status of the pending legal cases wherein either the decision of the Authority has been challenged or NEPRA is party. Out of 3,869 cases, 2,872 cases are pending at different Honourable Courts of Pakistan/Appellate Tribunal (NEPRA) and 997 have been disposed of.

Pending on 30 th June, 2023	Filed in FY 2023-24	Total (No.)	Decided/Disposed in FY 2023-24	Pending on 30 th June, 2024
2,816	1,053	3,869	997	2,872

Source: NEPRA

Regulatory compliance remains a significant challenge in Pakistan's power sector, impeding financial sustainability and hindering growth. The culture of non-compliance and the frequent unnecessary challenges to NEPRA's decisions have created major barriers to reform and operational efficiency. To address this, a review of the legal framework is needed, and imposing heavy penalties on unwarranted challenges could discourage such practices by licensees.

International models like the UK's OFGEM and Australia's AER highlight how consistent adherence to regulatory decisions fosters sector stability and attracts investment. Adopting a similar approach in Pakistan would promote a more reliable, growth-oriented, and investor-friendly power sector.

4.8 **COMPETITIVE TRADING BILATERAL CONTRACT MARKET (CTBCM) ACTIVITIES:**

Over the past year, the Authority has made substantial progress in strengthening the regulatory framework of the power sector. These efforts have been pivotal in driving the industry towards improved efficiency, regulatory compliance, and economic stability. The following section highlights the key initiatives and outcomes achieved during the reporting period.

(i) Review and Approval of Power Acquisition Programmes

The Authority after an extensive regulatory process involving stakeholders' consultation, public hearing, as well as dedicated sessions with the DISCOs, approved the Power Acquisition Programme (PAP) submitted by DISCOs and KE on May 20, 2024, and May 17, 2024, respectively

(ii) Final Test Run Report

In accordance with Sections 23A and 23B of the NEPRA Act, the Authority granted the Market Operator Licence to CPPA-G and approved the Market Commercial Code (MCC) through a determination dated May 31, 2022. Under the terms of the Market Operator Licence, CPPA-G was required to conduct a six-month dry-run to rigorously test and validate the MCC. The FTR report was submitted on December 28, 2023, after a delay on more than a year.

The Authority initiated the regulatory review and approval process for the FTR report and the proposed amendments to the MCC in January 2024. The regulatory process is at advanced stage.

(iii) KE Integration Plan

The Authority reviewed KE's Integration Plan into the CTBCM submitted by KE. Following detailed deliberations, it was determined that further discussions were needed regarding the grant of a competitive supplier licence to KE. The case remained at advanced stage of proceedings during the reporting period.

(iv) Finalization of the Agency Code and Special Purpose Agent Application

NEPRA, vide determination dated November 12, 2020 granted approval for the "Detailed Design and the Implementation Timelines" of the CTBCM Model, obligating CPPA-G to apply for the registration under Section 25 A of the NEPRA Act as Special Purpose Agent (SPA), to act as an agent of DISCOs for the legacy contracts. CPPA-G submitted its application for the SPA registration along with Agency Code on November 07, 2022. A number of consultations including public hearing have been held to finalise the registration application and the Agency Code and the process is at advanced stage.

(v) Connection Agreement

Connection Agreement (CA) between DISCO and BPC is aimed at facilitating BPC's access to DISCO's electric power distribution network. A draft CA between DISCO and BPC has been submitted for approval of the Authority pursuant to Group Action No. 10 of the Implementation Roadmap of the CTBCM Detailed Design dated November 12, 2020. The CA has been published for stakeholder consultation.

(vi) Use of System Agreement

Pursuant to Regulation 5 of the NEPRA Open Access (Interconnection and Wheeling of Electric Power) Regulations, 2022, DISCOs were mandated to draft and subsequently submit for approval of the Use of System Agreements (UoSA). These agreements outline the rights and responsibilities of open access provisions. The draft UoSA, prepared by the DISCOs, has been duly submitted and is currently under review and consideration.

(vii) Market Participation Agreement

In compliance with the CTBCM Test-Run Plan approved on May 31, 2022, CPPA-G, acting as the licensed Market Operator, submitted draft templates for the Market Participation Agreement (MPA), Service Provider Agreement, and System Operator Agreement (SOA) on March 4, 2024. These templates were part of the Action Items under the CTBCM Implementation Roadmap. After detailed deliberation, the Authority approved the publication of draft agreements on NEPRA website for seeking stakeholder and public comments.

(viii) Training and Capacity Building with National Renewable Energy Laboratory

The Authority has engaged the National Renewable Energy Laboratory (NREL) for capacity building of NEPRA professionals, on following key areas:

- (a) Market Monitoring and Restructuring: Sessions covering aspects of market monitoring, competitive electricity markets, restructuring, and investigation strategies.
- (b) Best Practices for Market Monitoring: Global best practices in market monitoring, further strengthening regulatory oversight capabilities.
- (c) State of Market Report: Development of template for state of the market report.

4.9 HEALTH, SAFETY, AND ENVIRONMENT ACTIVITIES:

In FY 2023-24, NEPRA adopted a proactive approach with its vision of “Power with Safety”, prioritizing Health, Safety, and Environment (HSE) initiatives within the power sector to protect lives, conserve the environment, and safeguard sector assets. NEPRA emphasised compliance with the Power Safety Code and legal obligations, aiming for a zero-incident goal.

Key Initiatives:

- (a)** NEPRA conducted a “Risk and Impact Assessment” workshop with OWS Consultants for capacity building of Distribution and Transmission HSE staff, teaching risk assessment techniques to mitigate hazards.
- (b)** The NEPRA Power Safety Code (2nd Edition) was reviewed to enhance safety measures for preventing electrical accidents. Licensees provided feedback for the forthcoming Third Edition, which aims to protect employees and the public across various settings.
- (c)** Continuous safety campaigns were launched on social and print media to raise public awareness under the “Power with Safety” initiative.
- (d)** Following a critical incident involving an 11 kV conductor falling on railway tracks, NEPRA directed DISCOs and transmission operators to address safety concerns regarding lines crossing railway tracks.
- (e)** NEPRA published the HSE Performance Evaluation Report on May 29, 2024, assessing the HSE performance of all licensees to ensure safety for employees, contractors, and the public.
- (f)** On June 06, 2024, NEPRA released two Incident Alerts summarizing incidents and lessons learned, which were shared with power sector companies for discussion in safety meetings.

4.10 COORDINATION AND IMPLEMENTATION ACTIVITIES:

A summary of Authority Regulatory Meeting and hearings is given in the following table:

Month	Hearing	Regulatory Meeting	Total
July, 2023	16	32	48
August, 2023	18	24	42
September, 2023	14	39	53
October, 2023	15	46	61
November, 2023	22	35	57
December, 2023	16	43	59
January, 2024	13	43	56
February, 2024	7	27	34
March, 2024	4	31	35
April, 2024	14	37	51
May, 2024	13	52	65
June, 2024	03	18	21
Total	155	427	582

Source: NEPRA

4.11 FINANCE ACTIVITIES:

(i) Introduction and Major Activities

Under the NEPRA Act, the operations of the Authority are funded through revenues collected from fees and fines. Any surplus of receipts over the actual expenditures in the year after payment of taxes is remitted to the Federal Consolidated Fund (FCF), while any deficit is covered by the Federal Government. Additionally, Section 14 requires NEPRA to maintain proper books of accounts, which are subject to audit by the Auditor General of Pakistan (AGP).

In 2007, all Regulatory Authorities, including NEPRA, were brought under the national tax framework. Since then, NEPRA has complied with the Federal Board of Revenue (FBR) requirements by filing annual income tax returns under the corporate taxation system. This includes attaching the audited financial statements with the annual return. As a result of these developments, NEPRA's accounts are also regularly audited by external Chartered Accountant firms. As the retiring Auditors M/s Ilyas Saeed & Co, Chartered Accountants have completed five (05) years (FY 2018-19 to FY 2022-23) therefore, in compliance with AG Office SoPs and best practices M/s RSM Avais Hyder Liaquat Nauman, Chartered Accountants were hired/selected through competitive process for FY 2023-24 onwards.

The Finance Department being a vital support function, manages critical financial transactions such as income collection, employee compensation, payments to suppliers and contractors, and remittance of levies & taxes to government bodies. Additionally, the department plays a strategic advisory role in budget preparation, procurement, and the selection or pre-qualification of suppliers, contractors, and professional firms. It also ensures compliance with statutory obligations under AGP and Federal & Provincial tax Authorities.

During FY 2023-24, the Finance Department provided essential support in achieving NEPRA's organizational goals. It successfully carried out internal responsibilities while also ensuring compliance with external statutory obligations. Key highlights during the financial year includes;

(ii) External Audit of NEPRA Accounts

The Finance Department ensured independent verification of NEPRA's financial statements by RSM Avais Hyder Liaquat Nauman & Co. Chartered Accountants, to conduct the external audit for the fiscal year. The financial statements for the year ended June 30, 2024, were duly approved by the Authority. The Auditors' Report and the key portion of the audited financial statements are at annexed-I.

(iii) Contributions to Government and Peer Organizations

NEPRA continued to actively fulfill its statutory obligations and paid following contributions during the financial year ended 30 June 2024:

Nature of Contributions	Payments made in FY 2023-24 (Rs. in Million)
Payment of Surplus to Federal Consolidated Fund (FCF): Under section 13 of NEPRA Act, payment made to FCF during FY 2023-24. So far, NEPRA has made total payments of Rs. 3,020.116 million to FCF.	589.13
Tax Payments to Federal Board of Revenue: Quarterly installments of advance tax paid by NEPRA.	110.94
Tax withheld & deposited by Licensees on fee income.	199.63
Super Tax (TY 2023)	144.18
Admitted Tax (TY 2023)	45.16
Tax withheld & deposited on various transactions.	71.25
Sub-total	1,160.28

Nature of Contributions	Payments made in FY 2023-24 (Rs. in Million)
Payments to Competition Commission of Pakistan (CCP): Pursuant to S.R.O 1277(I)/2020 dated 27 November, 2020 by Finance Division, NEPRA made statutory charge of 3% of fee to CCP: Charge during the year 2023-24. So far, NEPRA has made a total payment of Rs. 592.299 million to CCP.	113.65
Total Payments Made in FY 2023-24:	1,273.93

(iv) Annual Licence Fee

NEPRA raised annual license fee notices in accordance with the base rates as notified in NEPRA (Fees) Regulation, 2021 and indexed with most recent National Consumer Price Index (N-CPI) published every month by Pakistan Bureau of Statistics (PBS). Being major source of income, the Annual License Fee notices effective 01 July, 2023 for FY 2023-24 are summarized as under:

S. No.	Licence Segment, Annual Fees, Base Rates in Rupees (Notified 2021)	Annual Fees, Applicable Rates Effective 01 July 2023 in Rupees (Indexed)
1	Generation The Fee calculated, at the rate of Rs. [20 thousand] per MW, on the basis of the Gross (ISO) MW capacity of the licensed generation facility.	31,342
2	National Grid The Fee charged at the fixed rate of Rs. [10.00 million].	15,670,963
3	Provincial Grid The Fee charged at the fixed rate of Rs. [2.50 million].	3,917,741
4	Special Purpose Transmission Line The Fee for Special Purpose Transmission calculated at the rate of Rs. [2,500] per MW, on the basis of maximum transmission capacity as given in the license of special purpose transmission line, with a maximum ceiling of Rs. 10.00 Million.	3,918 15,670,963
5	K-Electric (Transmission) The Fee charged at the fixed rate of Rs. [7.00 Million].	10,969,624
6	Distribution Rs. [6,500] per MVA or Rs. [1,200,000] whichever is more.	10,186 1,880,516
7	Electric Power Supplier Rs. [10,000] per MW or Rs. [1,200,000] whichever is more.	15,671 1,880,516
8	Market Operator The Fee charged at the fixed rate of Rs. [10.00 Million].	15,670,963
9	System Operator The Fee charged at the fixed rate of Rs. [10.00 Million].	15,670,963

(v) Compliance with Tax Laws

The Finance Department acted as NEPRA's withholding agent for both Federal and Provincial tax authorities, ensuring the accurate collection and timely remittance of taxes. This included income tax and sales tax on goods and services. In addition, the department efficiently managed the electronic filing of periodic tax statements in compliance with legal requirements.

In accordance with Section 114(1) of the Income Tax Ordinance, 2001, NEPRA's annual corporate tax return for the financial year ended June 30, 2023, was submitted through the FBR online portal well before the deadline, ensuring full compliance with statutory obligations.

4.12 HUMAN RESOURCE ACTIVITIES:

The Human Resource (HR) Department of NEPRA deals with the recruitment and selection, training and development, reviewing compensation and benefits, succession planning, career management, database management, process re-engineering and revisiting policies and regulations, with the aim of not only to enhance the skills of the professionals and staff but also to retain and provide smooth transition of suitable employees to more responsible roles.

In this respect, an in-house Mandatory Training Program for seventeen (17) Professionals who were eligible for promotion in the FY 2023-24 was organized. The program's structure ensured that the eligible professionals met the necessary criteria for advancement in their careers. A series of subsequent briefing sessions were held for the participants of the Mandatory Training Program to brief and share their key learning experiences from the program.

During the FY 2023-24, the Authority convened the Promotion Board for professionals as well as support staff. The Authority promoted one (01) professional as well as seven (07) members of the support staff acknowledging their performance and dedication.

During the year under review, NEPRA hired Professionals for Legal and Technical Department after a competitive process, further strengthening the organization's capabilities and expertise.

With an aim to develop and enhance knowledge, skills, learn latest market practices and to optimize efficiency and effectiveness at workplace vis-a-vis for better service delivery at the operational and strategic level to create value in the best national interest; NEPRA always promotes local and foreign trainings. During the FY 2023-24, two (02) NEPRA female employees successfully completed a course offered by the Asian Institute of Technology (AIT) and attended the awarding ceremony of the said training course in Thailand. The program was specifically designed for women working in the Power sector. Similarly, thirty-five (35) female NEPRA employees were nominated for 01 day "Leadership Training" program for females of Energy Sector Organizations in collaboration with Asian Development Bank (ADB). Furthermore, nine (09) NEPRA Professionals were nominated for two days workshop organized by the Danish Energy Transition Initiative (DETI) in the subject of First Technical Mission to Pakistan.

NEPRA also hosted Fifth Meeting of the SAARC Council of Experts of Energy Regulators (Electrical) which was attended by Six Member Countries of SAARC namely Pakistan, Bangladesh, Bhutan, Maldives, Sri Lanka and Nepal. The purpose of the meeting was to focus on the role, functioning and performance of electricity regulators in the perspective of cross border power trading in South Asia. Overall aim of the Council is to provide enabling regulatory environment for materializing SAARC Energy Ring through implementation of the SAARC Framework Agreement on Energy Cooperation (Electricity).

As an internal program, the Authority also conducted Hajj Balloting for its employees in the staff Cadre and selected two employees to perform Holy pilgrimage to Kingdom of Saudi Arabia on the expenses of NEPRA.

Aside from above, NEPRA periodically offers Paid/Unpaid internship opportunities to young and talented professionals of reputable local/foreign educational institutions. Besides providing practical exposure, the program is boosting NEPRA's image as a socially responsible organization. During this FY 2023-24, NEPRA hired the services of fifteen (15) interns.

4.13 ADMINISTRATIVE ACTIVITIES:

FY 2023-24 has been marked with alacrity, professional enthusiasm and financial moderation for NEPRA. Multiple events and webinars were organized and attended by NEPRA in the first quarter. During the year, the following activities took place under Administration Department.

(i) Tenders for Miscellaneous Projects

In order to keep the outsourced services continued, the Administration Department regularly carries out the tendering for procurement of goods, works & services, such as photocopier machine, stationery, and supply of miscellaneous items:

(ii) Badminton and Table Tennis Tournaments-2023

The Badminton Tournament-2023 and Table Tennis Tournament (singles) – 2023 were successfully arrangement. Both the tournaments were attended by the Authority, NEPRA employees and their families.

(iii) Cricket and Football Tournaments-2023

The Administration Department successfully arranged and held Cricket and Football Tournaments-2023 on November 18, 2023, and December 11, 2023, respectively. Both the tournaments were attended by the Authority and NEPRA employees. A total of 6 teams participated in each tournament. The CAD Department won the Cricket tournament, while the football tournament was won by the Administration Department.

(iv) NEPRA External Audit for FY 2022-23

A team of Auditors visited from Auditor General of Pakistan (AGP) office to conduct Audit of NEPRA for FY 2022-23. NEPRA Administration Department facilitated the audit team by providing them vicinity and all the required documents for Audit and successfully handled the audit by providing to the point answers to the queries raised, resultantly many audit paras were dropped.

(v) Digitization/Scanning of Files and Records

To upgrade its reporting processes, collecting and analyzing data in real time and using insights to mitigate risk and promote efficiency in future NEPRA continues to adopt digitization process by scanning all its data, document and processes.

(vi) Procurements through EPADS

As instructed by Public Procurement Regulatory Authority (PPRA) vide S.R.O. 266(i)/2023, NEPRA has started carrying out all of its procurements activities of petty cash, RFQ, Open Competitive Bidding etc. through e-Pak Acquisition & Disposal System (E.PADS). Procurement process for a number of official laptops, printers, badminton court mats and cyber security services was initiated using the said mechanism.

(vii) Auction of NEPRA Vehicles

NEPRA successfully auctioned its eight (08) vehicles including five (5) vehicles and three (03) motorbikes on a price higher than the purchase price during this quarter.

(viii) Fire and Safety Installation Training By M/s Fire & Safety

Complying with the Emergency and Disaster Management, CDA, a free fire and safety installation training was given to NEPRA Fire & Safety staff by M/s. Fire & Safety under Training, Correction & Development Program. The said Training encapsulated the following three categories of emergency response:

- (a) Fire Safety Response (Workplace, home, care etc.)
- (b) Emergency Evacuation (Workplace)
- (c) First Aid (Workplace, home, car)

4.14 INFORMATION TECHNOLOGY ACTIVITIES:

(i) Enhancing Consumer Services through NEPRA Asaan Approach

“NEPRA Asaan Approach” mobile application is ready to be launched (at the time of publication of this report, the app is live) to address the complaints of electricity consumers, featuring several key elements to enhance the user experience. Consumers can effortlessly submit their complaints and track their progress in real-time, ensuring they stay informed throughout the process. The primary objective of this initiative is to enhance the provision of multi-channel service delivery and speedy resolution of consumer complaints. Further, new features are also added in NEPRA’s Complaints Management portal wherein consumers can submit complaints via website.

(ii) Recognizing Critical Information Infrastructure (CII) in the Power Sector

The electricity infrastructure is one of the critical and essential service for a country. With Industry/ Energy 4.0, the electricity sector is undergoing major transformation. Recognizing the Power Sector’s designation as critical infrastructure by the Government of Pakistan, NEPRA and its licensees have commenced collaborative efforts to identify critical information infrastructure within the sector. This joint endeavor aims to fortify the sector’s resilience and security against potential threats or disruptions. Through systematic identification of critical information infrastructure, NEPRA and its Licensees are striving to ensure the reliability, efficiency, and safety of Pakistan’s power sector operations.

(iii) NEPRA’s ICT Plan Development

The development of NEPRA’s ICT Plan is aimed at modernizing and streamlining the organization’s information and communication technology infrastructure. This comprehensive plan emphasizes the integration of cutting-edge digital tools, enhanced data management practices, and strengthened cybersecurity protocols in accordance with regulatory standards. By adopting advanced ICT solutions, NEPRA aims to significantly boost operational efficiency, ensure seamless data flow and deliver improved services across all departments.

(iv) Strengthening NEPRA’s Cybersecurity Defence

To strengthen NEPRA’s cybersecurity defence, NEPRA invited cyber-security firms and service providers through an open framework agreement for provision of cyber security related services and solutions at NEPRA premises.

(v) NEPRA and NCERT Strategic Collaboration on Cybersecurity

NEPRA hosted a collaboration meeting with National Cyber Emergency Response Team (NCERT) at NEPRA Office, Islamabad. The delegation from NCERT included key representatives, Dr. Haider Abbas – Director General of NCERT, Dr. Mehreen Afzal – Director GRC, Dr. M. Yousaf – Director CERT, Mr. Khurram Javed – Director Capacity Building, and Mr. Altaf ur Rehman – Director Labs. The primary objective of the meeting was to focus on collaborative initiatives pertaining to safeguarding critical infrastructure, cyber emergency response, emphasizing the commitment of both entities to ensuring a secure digital landscape for Pakistan’s technological progress.

(vi) Integration of NEPRA’s e-Licensing portal with SECP’s e-Services Portal Under PRMI

As part of Pakistan Regulatory Modernization Initiative (PRMI), NEPRA is set to sign a MoU for integration of NEPRA e-Licensing portal with SECP’s e-services portal.

(vii) Operationalization of e-Pak Acquisition & Disposal System (E.PADS)

The PPRA E.PADS has been implemented at NEPRA, providing a platform for efficiently managing electronic procurement processes. The system offers features such as electronic bidding, supplier management, contract management, and the generation of purchase orders.

(viii) Upgradation of ICT Infrastructure

NEPRA upgraded its IT infrastructure by acquiring 49 cutting-edge 13th Generation Laptop computers, each equipped with licensed Operating System, Microsoft Office and Antivirus software. Additionally, heavy duty scanners are integrated to support data management needs. The wireless network infrastructure is upgraded by replacing previous wi-fi with advanced dual-band access points supporting 5G. This upgrade has improved speed, coverage and increased the capacity to handle a higher number of simultaneous connections. As part of this upgradation process a captive portal has also been implemented for improved user management, streamlining the login process, thereby enhancing both user experience and security.

(ix) Attendance Management System

NEPRA has upgraded its Attendance Management System for centralized monitoring and management of attendance data from a unified platform. The upgraded system ensures precise and secure identification, significantly reduces manual errors, and streamlines attendance processes, thereby improving overall efficiency.

(x) Virtual Hearings and Meetings

The IT Department successfully facilitated over 250 NEPRA public hearings and meetings, expertly managing virtual participants up to 1,000, while ensuring seamless execution without interruptions. This facilitation ensures our capacity to handle complex virtual interactions with precision and showcasing our commitment to operational excellence.

(xi) Helpdesk Support

Our Helpdesk Support team has greatly improved its services, achieving high user satisfaction through timely problem-solving and a strong feedback system. Our staff is equipped with the skills and knowledge to handle diverse technical issues, ensuring top-notch support.

(xii) Summary of User/Visitor of NEPRA Website during FY 2023-24

Month (FY 2023-24)	Number of Visits	Unique Visitors	Pages	Hits	Bandwidth (TB)
July, 2023	146,378	84,804	659,290	4,491,696	1.23
August, 2023	176,287	102,510	735,388	2,466,462	0.69
September, 2023	125,539	70,867	582,201	1,823,623	0.53
October, 2023	89,036	46,718	536,618	1,565,468	0.36
November, 2023	82,535	43,097	451,061	1,421,703	0.36
December, 2023	85,021	47,472	443,220	1,304,252	0.37
January, 2024	95,412	50,012	459,413	1,501,756	0.54
February, 2024	83,559	46,704	355,040	1,565,291	0.49
March, 2024	84,281	52,157	390,190	1,085,001	0.28
April, 2024	99,490	57,928	420,631	1,672,517	0.43
May, 2024	90,369	54,869	579,670	3,824,913	0.81
June, 2024	47,627	30,437	254,316	2,825,921	3.2
Total	1,205,534	687,575	5,867,038	25,548,603	9

ANTICIPATED DEVELOPMENT/ ACTIVITIES FY 2024-25



5. ANTICIPATED DEVELOPMENT/ACTIVITIES FY 2024-25

(i) ANTICIPATED LICENSING ACTIVITIES FY 2024-25

- (a) Amendments in the NEPRA Licensing (Electric Power Supplier) Regulations, 2022;
- (b) Approval of Integrated System Plan 2024 comprising of IGCEP 2024-2034 and TSEP 2024-34;
- (c) Grant of Registration to CPPA-G for Special Purpose Agent for Legacy Contracts;
- (d) Approval of Operating Reserve Policy submitted by NTDC;
- (e) Grant of Isolated Supplier Licence after Amendments in the NEPRA Licensing (Electric Power Supplier) Regulations, 2022;
- (f) Grant of Generation Concurrences;
- (g) Grant of Competitive Supplier Licence;
- (h) Grant of at least two Supply of Last Resort (SoLR) Licenses (TESCO and SEPCO);
- (i) Grant of net-metering concurrences.

(ii) ANTICIPATED TARIFF ACTIVITIES FY 2024-25

Various Tariff Modification and Tariff Petitions are under process namely;

- (a) KE Petition for its Generation Plants;
- (b) JPCL, EPC stage tariff;
- (c) CPGCL (old block) Modification Petition regarding open cycle tariff;
- (d) CPGCL, Guddu 747 MW Modification Petition regarding CPP for open cycle operation;
- (e) Suo moto proceeding in the matter of revision of Coal Pricing Mechanism dated 23-09-2016;
- (f) KAPCO Generation Tariff.

Four Review motions filed by Lucky Electric, Port Qasim, HSR and CHIC against Authority decisions are in process along with revision in coal pricing mechanism and routine Fuel Price Adjustment, Quarterly Indexation, Insurance Adjustment, CV Adjustments and Withholding Tax Adjustment of various IPPs.

(iii) ANTICIPATED TECHNICAL ACTIVITIES FY 2024-25

- (a) Approval of Investment Plan of GEPCO, QESCO, HESCO, SEPCO, PESCO, and TESCO for tariff control period from FY 2025-26 and FY 2029-30;
- (b) Approval of Investment Plan of NTDC for tariff control period from FY 2025-26 and FY 2029-30;
- (c) Finalization of KE End Term Review for Tariff Control Period FY 2016-17 to FY 2022-23;
- (d) Finalization of review filed by KE regarding decision of the Authority in the matter of seven-year transmission and distribution investment plan for Tariff Control Period from FY 2023-24 to FY 2029-30;
- (e) Finalization of review filed by Muhammad Arif Bilwani regarding decision of the Authority in the matter of seven-year transmission and distribution investment plan for Tariff Control Period from FY 2023-24 to FY 2029-30;
- (f) Verification of Energy delivered by plants as well as other Technical parameters including Part load, degradation, etc. as per the respective PPAs for approval of the Authority in monthly FCAs;
- (g) Review of Black start charges, startup charges and other technical parameters for KE for subsequent approval of the Authority;
- (h) Review of Performance test report for KE's BQPS III plant (Unit 1 and Unit 2) on Gas/RLNG and HSD fuel for subsequent approval of the Authority of Heat Rate and Capacity number;
- (i) Review of Power/Energy Purchase Agreements (PPAs/EPAs)/PACs/Service Level Agreements and amendments (if any) for subsequent decision of the Authority.

(iv) ANTICIPATED ACTIVITIES OF CONSUMER COMPLAINT MECHANISM FY 2024-25

- (a) Development of mobile application for lodging of consumer complaints against all DISCOs including KE.

(v) ANTICIPATED ACTIVITIES OF CTBCM FOR FY 2024-25

- (a) Approval of Final Test Run Report and declaration of CMOD of the CTBCM;
(b) Approval of Agency Code;
(c) Market Participation Agreement and Service Provider Agreement Approvals;
(d) Amendments in Eligibility Criteria Regulations;
(e) Approval of Connection Agreement;
(f) Approval of Use of System Agreement;
(g) KE Integration into CTBCM;
(h) Engagement with National Renewable Energy Laboratory and Development of the State of Market Report.

(vi) ANTICIPATED ACTIVITIES OF INFORMATION TECHNOLOGY FY 2024-25

- (a) The upgradation of ICT infrastructure will be performed by the upgradation of Enterprise Content Management System and shifting of hosting of Website and Email Services with enhanced cybersecurity features;
(b) A comprehensive vulnerability and risk assessment will be conducted, and cyber security measures will be updated accordingly;
(c) The collaborative efforts with NEPRA Licensees and NCERT for identification of critical infrastructure will be concluded.

(vii) ANTICIPATED ACTIVITIES OF ADMINISTRATION DEPARTMENT FY 2024-25

- (a) Extend the medical facilities in Provincial/Regional Offices of NEPRA through panel hospitals;
(b) Procurement of official vehicles for the NEPRA officials;
(c) Upgradation of fire and safety system installed at NEPRA Tower;
(d) Replacement of façade of NEPRA Tower;
(e) Water proofing and treatment of all terraces of NEPRA Tower;
(f) Digitization/scanning of files and records;
(g) Installation of CCTV system at Regional Offices;
(h) Establishment of Daycare Centre for Provincial Offices.

ANNEXURES



ANNEX-I

**Audited Financial Statements of
National Electric Power Regulatory Authority (NEPRA)
for the Year Ended June 30, 2024**



RSM Avas Hyder Liaquat Nauman
Chartered Accountants

Plot# 18 - B-1, 1st Floor,
Chohan Plaza, G-8, Markaz
Islamabad, Pakistan.

T: +92 (51) 2340490 & 93
F: +92 (51) 2340476

islamabad@rsm-pakistan.pk
www.rsm-global/pakistan

INDEPENDENT AUDITOR'S REPORT

To the Members of the National Electric Power Regulatory Authority Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **National Electric Power Regulatory Authority** (the Authority), which comprise the statement of financial position as at June 30, 2024, and the statement of income and expenditure, statement of comprehensive income, the statement of changes in fund, the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure, statement of comprehensive income, the statement of changes in fund, and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give a true and fair view of the state of the Authority's affairs as at June 30, 2024 and of the surplus, its comprehensive income, the changes in fund and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Authority in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 of the financial statements, which describes the basis of preparation. These financial statements have been prepared in accordance with the generally accepted accounting principles, as prescribed by the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 and where the Act does not provide specific guidance on accounting treatment, the policies set out in Note 3, which align with the requirements of the International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Pakistan (ICAP), have been applied. Our opinion is not modified in respect of this matter.

THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING

RSM Avas Hyder Liaquat Nauman is a related entity of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved International Financial Reporting Standards as applicable in Pakistan and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Other Matter

The Financial statements of the Authority for the year ended June 30,2023, were audited by another auditor who expressed an unmodified opinion on those financial statements on September 30, 2023.

The engagement partner on the audit resulting in this independent auditor's report is **Syed Naveed Abbas**.

Roshan Avais Hyder Liaquat Nauman
RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Place: Islamabad

Date: 08 DEC 2024

UDIN: AR202410239PMZkOtHnv

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 (Rupees)	2023 (Rupees)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	545,256,239	529,547,852
Intangible assets	5	308,726	337,579
Advances to employees	6	1,003,547,787	929,521,196
		1,549,112,752	1,459,406,627
CURRENT ASSETS			
Current portion of advances to employees	6	107,245,992	67,225,727
Fee receivable	7	31,223,780	13,511,727
Advances, deposits, prepayments and other receivables	8	33,979,056	38,083,324
Tax due from government	9	351,008,808	633,350,411
Deferred tax asset	10	236,350,722	100,502,299
Bank balances	11	492,997,687	616,131,948
		1,252,806,045	1,468,805,436
LIABILITIES			
CURRENT LIABILITIES			
Accrued and other liabilities	12	(874,959,167)	(626,264,215)
Provision for taxation	13	(543,753,517)	(551,848,900)
Payable to Federal Consolidation Fund (FCF)	14	(221,988,057)	(589,127,654)
Current portion of long term loan	15	(750,594)	(1,125,893)
		(1,641,451,335)	(1,768,366,662)
NON-CURRENT LIABILITIES			
Long term loan	15	(21,767,375)	(22,142,672)
Deferred liabilities	16	(7,413,997)	(6,416,639)
		(29,181,372)	(28,559,311)
NET ASSETS			
		1,131,286,090	1,131,286,090
REPRESENTED BY:			
Capital contribution by Government of Pakistan	17	131,286,090	131,286,090
Building reserve	18	1,000,000,000	1,000,000,000
		1,131,286,090	1,131,286,090
CONTINGENCIES AND COMMITMENTS			
	19		

The annexed notes from 1 to 30 form an integral part of these financial statements.



MEMBER



CHAIRMAN

**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 (Rupees)	2023 (Rupees)
Fee income	20	3,748,975,744	3,098,246,262
Administrative expenses	21	(2,916,998,076)	(2,180,615,610)
Finance cost	22	(3,407,887)	(3,277,863)
Other income	23	471,862,810	267,820,219
Surplus for the year before tax		1,300,432,591	1,182,173,008
Taxation	24	(816,524,126)	(558,294,788)
Surplus for the year after tax		483,908,465	623,878,220

The annexed notes from 1 to 30 form an integral part of these financial statements.


MEMBER


CHAIRMAN

**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024**

	2024 (Rupees)	2023 (Rupees)
Surplus for the year after tax	483,908,465	623,878,220
OTHER COMPREHENSIVE INCOME:		
Experience adjustment - Defined benefit obligation (loss)	(370,420,936)	(47,831,526)
Experience adjustment - Unfunded Gratuity Scheme gain/(loss)	1,519,440	(1,112,933)
Tax effect of remeasurement gain	106,981,434	14,193,893
Other comprehensive loss for the year	(261,920,062)	(34,750,566)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	221,988,403	589,127,654

The annexed notes from 1 to 30 form an integral part of these financial statements.



MEMBER

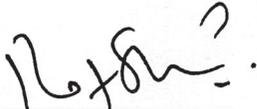


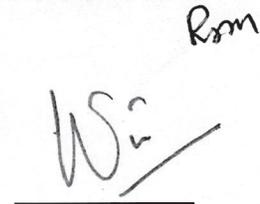
CHAIRMAN

**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Capital contribution by Government of Pakistan	Building Reserve Fund	Accumulated Surplus	Total
	----- Rupees -----			
Balance as at July 01, 2022	131,286,090	1,000,000,000	-	1,131,286,090
Surplus for the year after tax	-	-	623,878,220	623,878,220
Other comprehensive loss for the year	-	-	(34,750,566)	(34,750,566)
Allocated to Federal Consolidation Fund	-	-	(589,127,654)	(589,127,654)
Balance as at June 30, 2023	131,286,090	1,000,000,000	-	1,131,286,090
Surplus for the year after tax	-	-	483,908,465	483,908,465
Other comprehensive loss for the year	-	-	(261,920,062)	(261,920,062)
Allocated to Federal Consolidation Fund	-	-	(221,988,403)	(221,988,403)
Balance as at June 30, 2024	131,286,090	1,000,000,000	-	1,131,286,090

The annexed notes from 1 to 30 form an integral part of these financial statements.

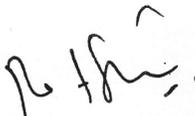

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CHAIRMAN

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
Note	(Rupees)	(Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the year before tax	1,300,432,591	1,182,173,008
Adjustments for non-cash items:		
Provision for gratuity and earned leaves	338,202,159	333,524,256
Depreciation and amortization	78,412,151	73,585,015
Finance cost	3,407,887	3,277,863
Mark up income	(438,800,295)	(266,443,999)
Gain on sale of fixed assets	(8,438,279)	(1,376,220)
Reversal of allowance for expected credit loss	(24,624,236)	-
	(51,840,613)	142,566,915
Working capital changes:		
(Increase)/decrease in current assets:		
Advances to employees	(114,046,856)	(128,341,368)
Fee receivable	6,912,183	23,727,961
Advances, deposits, prepayments and other receivables	4,104,268	83,241,866
Tax due from government	(271,124,754)	(146,462,990)
Increase/(decrease) in current liabilities:		
Accrued and other liabilities	39,866,954	(71,584,179)
	(334,288,205)	(239,418,710)
Net cash generated from operations	914,303,773	1,085,321,213
Earned leaves and gratuity fund	(497,278,299)	(110,258,343)
Markup on long term loan	(3,407,887)	(3,277,863)
Income taxes	(300,020,138)	(186,827,835)
	(800,706,324)	(300,364,041)
Net cash inflow from operating activities	113,597,449	784,957,172
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure during the year	(94,091,682)	(128,549,688)
Cash received against sale of fixed assets	8,438,279	11,688,776
Markup received during the year	438,800,287	266,443,999
Net cash inflow from investing activities	353,146,884	149,583,087
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of loans	(750,594)	(750,594)
Amount paid to Federal Consolidation Fund	(589,128,000)	(561,829,176)
Net cash outflow from financing activities	(589,878,594)	(562,579,770)
Net (decrease)/increase in cash and cash equivalents during the year	(123,134,261)	371,960,489
Cash and cash equivalents at beginning of the year	616,131,948	244,171,459
Cash and cash equivalents at the end of the year	492,997,687	616,131,948

The annexed notes from 1 to 30 form an integral part of these financial statements.


MEMBER


CHAIRMAN

SENIOR MANAGEMENT AND KEY CONTACTS

Name & Designation	Department	Telephone No.	Email
Chairman	Chairman	051-9220902	chairman@nepra.org.pk
Member	Licensing	051-9210209	maqsoodanwarkhan@hotmail.com
Member	Tariff	051-9206887	matharrana@hotmail.com
Member	Technical	051-9206797	rafique.ahmed@nepra.org.pk
Member	Law	051-9207300	amina.ahmed@nepra.org.pk
Anwar Malik, Director General	M&E	051-9205224	anwar.malik@nepra.org.pk
Naveed Illahi Shaikh, Director General	CAD	051-9217673	naweedshaikh@nepra.org.pk
Imtiaz Hussain Baloch, Director General	Licensing	051-9206527	ihussain@nepra.org.pk
Sajid Akram, Director General	NEPRA Appellate Tribunal Cell	051-9203163	sajid.akram@nepra.org.pk
Wasim Anwar Bhinder, Registrar	Registrar	051-9206500	registrar@nepra.org.pk
Mazhar Iqbal Ranjha, Director General	Technical	051-9217697	miranjha@nepra.org.pk
Iftikhar Ali Khan, Addl. Director General	HR & Admin.	051-9205052	iftikhar@nepra.org.pk
Jamil Akhtar, Addl. Director General	Finance	051-9210947	Jamil.akhtar@nepra.org.pk
Muhammad Yousaf, Addl. Director General	Tariff	051-9205294	m.yousaf@nepra.org.pk
Syed Safeer Hussain, Consultant	Technical	051-9205043	safeer@nepra.org.pk
Kazi Imran, Senior Advisor	M&E	051-9207754	kazi.imran@nepra.org.pk
Muhammad Ramzan, Addl. Director General	Licensing	051-9244722	ramzan@nepra.org.pk
Gul Hassan Bhutto, Consultant/Director	CTBCM/Technical	051-9208045	bhutto.gulhassan@nepra.org.pk
Mian Ahmad Ibrahim, Senior Legal Advisor	Legal	051-9244761	ahmad.ibrahim@nepra.org.pk
Mudassar Naqvi, Legal Advisor	Legal	051-9203680	bmnaqvi@nepra.org.pk
Humaira Hassan Butt, Director	C&I	051-9206798	humaira@nepra.org.pk

ADDRESSES OF NEPRA REGIONAL OFFICES

<p style="text-align: center;"><u>Regional Office, Karachi</u></p> <p>7th Floor, Office No. 706, Balad Trade Center, Alamgir Road, Bihar Muslim Co-operative Housing Society, Bahadurabad, Karachi, Phone No.: 021-34893001, Email: cadkarachi@nepra.org.pk</p>
<p style="text-align: center;"><u>Regional Office, Lahore</u></p> <p>54-B, 1st Floor, Link Arcade, GECH Society, Phase 3, Link Road, Model Town, Lahore Phone No.: 042-99333931, Email: cadlahore@nepra.org.pk</p>
<p style="text-align: center;"><u>Regional Office, Peshawar</u></p> <p>Room No. 3 & 4, 2nd Floor, Tasneem Plaza, 6th Saddar Road, Peshawar Cantt: Peshawar Phone No.: 091-5271238-39, Email: cadpeshawar@nepra.org.pk</p>
<p style="text-align: center;"><u>Regional Office, Quetta</u></p> <p>Room No. 1, 2nd Floor, Rehman Center, 7-A, Opposite NADRA Office, Model Town, Hali Road, Quetta Phone No.: 081-2822035-36, Email: cadquetta@nepra.org.pk</p>
<p style="text-align: center;"><u>Regional Officer, Gwadar</u></p> <p>1st Floor, GPA Complex, Adjacent to NADRA Office, Abdul Majeed Gwadari Road, Gwadar</p>
<p style="text-align: center;"><u>Regional Office, Sukkur</u></p> <p>House No. C-7, Hamdard Housing Society, Airport Road, Sukkur Phone No.: 071-5804563, Email: cadsukkur@nepra.org.pk</p>
<p style="text-align: center;"><u>Regional Officer, Hyderabad</u></p> <p>Dawood Centre, 2nd Floor, Room No. 10, Autobhan Road, Latifabad, Hyderabad Phone No.: 022-3823322, Email: cadhyderabad@nepra.org.pk</p>
<p style="text-align: center;"><u>Regional Office, Faisalabad</u></p> <p>1st Floor, Plaza No. C-6B, Opposite National Bank, College Road, Kohinoor City, Faisalabad Phone No.: 041-8727800, Email: cadfaisalabad@nepra.org.pk</p>
<p style="text-align: center;"><u>Regional Office, Multan</u></p> <p>Office No. 39, 1st Floor, Orient Mall, Khanewal Road, near Chowk Kumharanwala, Multan Phone No.: 061-6784537, Email: cadmultan@nepra.org.pk</p>
<p style="text-align: center;"><u>Regional Office, Gujranwala</u></p> <p>Office No. 87-B, Block M, Trust Plaza, Grand Trunk Road, Model Town, Gujranwala Phone No.: 055-3822766, Email: cadgujranwala@nepra.org.pk</p>

Glossary of Acronyms Used

ASR	Aggregated Service Router
BPC	Bulk Power Consumer
CAD	Consumer Affairs Department
CCI	Council of Common Interests
CCTV	Closed Circuit Television
CDA	Capital Development Authority
CEO	Chief Executive Officer
CIR	Committed Information Rate
COD	Commercial Operation Date
CPEC	China Pakistan Economic Corridor
CPPA-G	Central Power Purchasing Agency (Guarantee) Limited
DCRP	Distribution Code Review Panel
DG	Distributed Generation
DHCP	Dynamic Host Configuration Protocol
DISCO	Distribution Company
ECC	Economic Coordination Committee
ERP	Enterprise Resource Planning
FESCO	Faisalabad Electric Supply Company Limited
GENCO	Public Sector Generation Company
GEPCO	Gujranwala Electric Power Company Limited
HESCO	Hyderabad Electric Supply Company Limited
HVDC	High Voltage Direct Current
IESCO	Islamabad Electric Supply Company Limited
LESCO	Lahore Electric Supply Company Limited
MEPCO	Multan Electric Power Company Limited
MW	Megawatt
MYT	Multi-Year Tariff
NPCC	National Power Control Centre

NTDC	National Transmission and Despatch Company
PESCO	Peshawar Electric Supply Company Limited
PPP	Power Purchase Price
PSDR	Performance Standards (Distribution) Rules
PSGR	Performance Standards (Generation) Rules
PSTR	Performance Standards (Transmission) Rules
QESCO	Quetta Electric Supply Company Limited
RLNG	Re-Gasified Liquefied Natural Gas
SAIFI	System Average Interruption Frequency Index
SAIDI	System Average Interruption Duration Index
SEPCO	Sukkur Electric Power Company Limited
SCADA	Supervisory Control and Data Acquisition
SOP	Standard Operating Procedure
T&D	Transmission and Distribution
TESCO	Tribal Areas Electric Supply Company
USAID	United State Agency for International Development
UOSC	Use of System Charges
USOA	Uniform System of Accounts



**NATIONAL ELECTRIC POWER
REGULATORY AUTHORITY**

NEPRA Tower, Attaturk Avenue (East)
G-5/1, Islamabad, Pakistan
Ph: +92 51 2013200 Fax: +92 51 9210215
Email: info@nepra.org.pk, Web: www.nepra.org.pk

NEPRA Asaan Approach

