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.
# Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman's Message</td>
<td>01</td>
</tr>
<tr>
<td>The Authority</td>
<td></td>
</tr>
<tr>
<td>Composition and Profiles</td>
<td>05</td>
</tr>
<tr>
<td>Powers and Functions</td>
<td>11</td>
</tr>
<tr>
<td>Key Highlights</td>
<td>13</td>
</tr>
<tr>
<td>Organogram</td>
<td>15</td>
</tr>
<tr>
<td>NEPRA and Power Sector Regulation</td>
<td></td>
</tr>
<tr>
<td>Role of NEPRA in the Power Sector</td>
<td>19</td>
</tr>
<tr>
<td>Decision Making Process</td>
<td></td>
</tr>
<tr>
<td>The Authority's Regulatory Decision-Making Process</td>
<td>23</td>
</tr>
<tr>
<td>Regulatory Activities in 2019-20 and Anticipated Developments in 2020-21</td>
<td></td>
</tr>
<tr>
<td>Generation</td>
<td>27</td>
</tr>
<tr>
<td>Transmission</td>
<td>37</td>
</tr>
<tr>
<td>Distribution and Supply</td>
<td>40</td>
</tr>
<tr>
<td>Consumer Affairs &amp; Complaints Management</td>
<td>42</td>
</tr>
<tr>
<td>Monitoring and Enforcement</td>
<td>45</td>
</tr>
<tr>
<td>Legal</td>
<td>50</td>
</tr>
<tr>
<td>Coordination &amp; Implementation</td>
<td>52</td>
</tr>
<tr>
<td>Finance</td>
<td>54</td>
</tr>
<tr>
<td>Administration and Human Resource</td>
<td>56</td>
</tr>
<tr>
<td>Information Technology</td>
<td>64</td>
</tr>
<tr>
<td>Annexures</td>
<td></td>
</tr>
<tr>
<td>ANNEX-I Financial Audited Report</td>
<td>71</td>
</tr>
<tr>
<td>ANNEX-II Senior Management Key Contacts</td>
<td>95</td>
</tr>
<tr>
<td>Glossary of Acronyms used</td>
<td>97</td>
</tr>
</tbody>
</table>
Chairman's Message

It has been a fulfilling experience upon completing one year as Chairman NEPRA. I am confident that with the support of honorable Authority Members and professionals, the objective to provide affordable and reliable power and achieving efficiency in the power sector will be attained. We at NEPRA are continuously striving to address energy security issues and reducing the cost of electricity with the objective to turn power industry into a robust and functional sector and make NEPRA a prudent Regulator. Salient achievements during the year are active work on a shift from "Take or Pay" to "Take and Pay" regime and from imported fuel to optimizing indigenous fuel, fast tracking completion of projects, scientific basis of Demand/Supply projections through Indicative Generation Capacity Expansion Plan (IGCEP), engagement of International Consultants and opening of new Provincial Offices, new NEPRA official website, active Social Media presence and engaging Academia.

During FY 2019-20 I had the honor of representing NEPRA through several meetings with the Prime Minister, Cabinet and the CCoE wherein power sector challenges and way forward were discussed and key decisions were taken for sound implementation. Also, during the year, the international ranking of Pakistan wrt Ease of doing Business was positively contributed and recognized on account of reduced connection time from 73 to 58 days and simplification in various procedures from 6 to 4. Now, it is much easier to get an industrial electricity connection and serving demand notices online.

For the first time in the Country, NEPRA hosted Energy Week in February, 2020 which was attended by Federal Ministers, Ambassadors and renowned International Experts. The week concluded with the resolve to eliminate inefficiencies and facilitate competition through Competitive Trading Bilateral Contract Market (CTBCM), Supplier regime and Net Metering arrangements etc. Also, an International Consultant was engaged to review the detailed design report and implementation road map of CTBCM, which is now at an advanced stage of approval. International Consultants were also hired on Coal and Wheeling.

Consultative sessions on Indicative Generation Capacity Expansion Plan (IGCEP), Transmission System Expansion Plan and Demand forecasting were conducted besides the regular and continuous monitoring of construction of interconnection facilities to ensure timely evacuation of power with NTDC. Training program on Pakistan’s Power Regulatory regime for the professionals of the Afghan Power Sector was conducted under the SAARC initiative to exchange knowledge and impart lessons learned from regulatory experience in the power sector.

Due to the Covid-19 pandemic, professional activities were affected to a great extent. However, with the untiring efforts of the Authority and professionals, NEPRA’s operations and functions were made effective and convenient through ZOOM online meetings and hearings/consultative sessions enabling easy public participation. To ensure the health and safety of employees and visitors at NEPRA, a foolproof mechanism was implemented.

During the period under review 3361 Generation Licenses of cumulative capacity of 2395 MW were issued for Conventional Power Plants, Renewable Energy Projects, Hydropower Projects and Net Metering. 113 Authority Regulatory Meetings and 100 Public Hearings/Consultative Sessions were conducted to ensure public participation in the decision-making process. 88% of consumer complaints received in NEPRA were resolved/concluded during the period. Five offices at the DISCOs level were established in addition to previously established provincial offices for facilitation of consumers.
Two distribution licenses were issued for facilities located at Gujranwala and Hub, District Lasbela. Monthly Fuel Price Adjustments were determined for DISCOs. Generation tariff was determined for 10 companies based on Solar PV Power. World market prices for renewable energy technologies have become cost-effective resulting in reduction of the overall basket price. Intermittency issues are being resolved and with the approval of the new RE Policy, Pakistan will move to the much awaited Competitive Bidding for adding Renewable Energy capacity.

For the first time, a Transmission License was granted to Sindh Transmission & Dispatch Company (Private) Limited to act as a Provincial Grid Company in Sindh. Taking cognizance of continued power curtailment of 14 Wind Power Projects at Jhimpir, the Authority held an onsite Consultative meeting of stakeholders on February 6, 2020.

Legal proceedings were initiated against NTDC and DISCOs due to frequent tripping and delay in approval of interconnection studies, violations of Performance Standards, Distribution Code and other applicable documents and occurrence of fatal accidents respectively. A fine of Rs. 50 Million was imposed on K-Electric on account of fatal accidents that occurred in Karachi as a result of heavy rainfall during July and August, 2019.

NEPRA Quarterly Newsletter was revived to share regulatory activities besides improving shareholders’ engagement. A New IT application was developed for receiving license applications online through NEPRA website. Digital File Management System was implemented through the SharePoint platform. Online training programs on different subjects were developed for the employees to enhance their professional knowledge and skills. Efforts were made to engage Massachusetts Institute of Technology (USA) and Florence School of Regulation for Capacity building of NEPRA employees and finding out of the box solutions for efficiency in Pakistan’s power sector. Top brains are being inducted and new functions are being created to take new initiatives which never existed before e.g. CSR to monitor and enhance community work in Pakistan and HSE for monitoring all projects on HSE front.

On this occasion, I would like to place on record the dedication and commitment of the Authority Members, professionals and staff for working as a team, in service to the country, that will be further strengthened under my leadership through target and result-oriented working environment.

It is my profound pleasure to present the Annual Report of National Electric Power Regulatory Authority for the year 2019-20, including details of the activities that have taken place throughout the year.

(Tauseef H. Farooqi)
Chairman
The Authority
As per Section 3, Sub-section (1) of the NEPRA Act, the Federal Government shall, by notification in the official Gazette, establish an Authority consisting of a Chairman to be appointed by the Federal Government and four Members, one from each Province, to be appointed by the Federal Government after considering recommendations of the respective Provincial Governments. Further, as per Section 3 Sub-section (2), there shall be a Vice Chairman, appointed from amongst the members for a period of one year, by rotation.
Mr. Tauseef H. Farooqi joined NEPRA as Chairman on 05.08.2019. Mr. Farooqi has over 28 Years of Techno-Commercial experience with specialization of managing the Commercial/ Business side of IPP/ IWPP Projects. He started his career with WAPDA in 1991 and has the distinguished honor of working on both Technical and Finance sides. He then worked with global Companies in Power, Water, and Energy Sectors on Multi-billion Dollars Projects like International Power of UK from 1997 to 2000 on Pakistan's largest Kot Addu Power Plant. Since 2000, he has developed top three (3) IWPP Projects in Abu Dhabi, first with CMS Energy of USA on Taweelah A2 (710 MW and 50 MIGD, a 750 Million USD Project) and Shuweihat S1 (1500 MW and 100 MIGD, a 1.5 Billion USD Project). In 2005 he joined Marubeni of Japan on their largest investment outside Japan in Taweelah B, Abu Dhabi's largest Power Plant, (2000 MW and 160 MIGD, a 3 Billion USD Project).

Mr. Farooqi is an Electrical Engineer from University of Engineering & Technology Lahore, MBA from Lahore University of Management Sciences and a graduate in Executive Program in Management from world's renowned Columbia Business School of USA. Mr. Farooqi is a regular presenter in Power & Water Summits internationally.
Mr. Saif Ullah Chattha joined NEPRA as Member (Punjab) in March 2017. Before joining NEPRA, he has served the Provincial as well as the Federal Governments on a number of high profile assignments. He joined the Civil Service of Pakistan (District Management Group) in 1983 and served in various prominent positions in Punjab, Baluchistan and Gilgit Baltistan as Assistant Commissioner, Deputy Secretary, Deputy Commissioner and Chief Secretary. In Islamabad he has served as Federal Secretary, Ministry of Water & Power and Ministry of Overseas Pakistanis & Human Resources Division and Additional Secretary, Ministry of Communications.

He has also served as Personal Staff Officer to Prime Minister of Pakistan and Counsel General/Trade Minister of Pakistan in Montreal, Canada.
Mr. Rehmatullah Baloch is graduate in Electrical Engineering from Mehran University Jamshoro Sindh and acquired L.L.B degree from University of Quetta Balochistan. He joined NEPRA as Member (Balochistan) on 21.03.2018. Before joining NEPRA, he has served in WAPDA in various positions and QESCO as Chief Executive Officer.

He has 30 years of vast experience in the power sector. Major achievements include considerable improvement in QESCO’s revenue, contribution towards enhanced installed capacity of the Grid Stations & Transmission lines of Balochistan Province and construction of 16x132 KV New Grid Stations with around 2000 KM allied Transmission Lines in the remote areas of Balochistan despite serious security threats.

In recognition of his contribution to the power sector he has been conferred commendation certificates by Chairman WAPDA (2003), Chief Executive Officer QESCO (2010) and Chief Minister, Balochistan (2014).
Mr. Rafique Ahmed Shaikh joined NEPRA as Member (Sindh) in December 2018. He is an engineer by profession and has more than 16 years of work experience with national and international electric power utilities. Besides degree in engineering, Mr. Shaikh has acquired Master's Degree in Business Administration. Throughout his National as well as International career, Mr. Shaikh has worked in various managerial capacities in the areas of Power Generation, Distribution and Electricity Regulations. He has demonstrated skills in leadership, strategic planning, improving operational efficiencies, team building and managing costs. He has also worked as Distribution Lead in Port Harcourt Electricity Distribution (PHED), Nigeria. Mr. Shaikh is very well versed with the regulatory regime of power sector in Pakistan as he has dealt with the issues of Regulatory compliances at various National as well as International electric power utilities.

Mr. Shaikh manifests young and energetic leadership with an impetus for change. He has flair for innovation and adaptation to the modern regulatory concepts for objective based regulations. Mr. Shaikh is keen to work with stakeholders for development of a competitive market of electricity in Pakistan.
Mr. Bahadur Shah joined NEPRA on 01.07.2019 as Member (Kyber Pakhtunkhwa). He did his M.Sc Engineering from University of Birmingham UK and has more than 33 years of power sector experience to his credit. Prior to joining NEPRA, he has served in Energy Development Organization of Khyber Pakhtunkhwa (PEDO) as General Manager/CEO/Managing Director. Having worked in Public Sector, he has working experience with all energy sector stakeholders including Power Ministries, PPIB, NEPRA, AEDB, NTDC, private sector and donors including ADB and World Bank, KfW etc.
The National Electric Power Regulatory Authority has been established under Section 3 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 to exclusively regulate the provision of electric power services in Pakistan. The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 [Act No. XII of 2018] (The Act) has overhauled the role and responsibilities of NEPRA.

**Powers and Functions**

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

a. grant of licenses under this Act;
   - specify procedures and standards for registration of persons providing electric power Services
   - aid and advise the Federal Government, in the formulation of national electricity plan
   - 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 licensed or registered under this Act;

c. specify and enforce performance standards for generation companies and persons licensed or registered under this Act;

d. specify accounting standards and establish a uniform system of account by generation companies and persons licensed or registered under this Act;

e. specify fees including fees for grant of licenses and renewal thereof;

f. review its order, decisions or determinations;

g. settle disputes between licensees in accordance with the specified procedure;

h. issue guidelines and standards operating procedures;
   - promote the development of a market, including trading, in accordance with the national electricity policy and the national electricity plan

i. 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;

j. review organizational affairs of generation companies and persons licensed 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;
k. encourage uniform industry standards and code of conduct for generation companies and persons licensed or registered under this Act;

l. tender advice to public sector projects;

m. submit reports to the Federal Government in respect of activities of generation companies and persons licensed or registered under this Act;

n. perform any other function which is incidental or consequential to any of the aforesaid functions.
Key Highlights

- For the first time in the Country, NEPRA hosted Energy Week in February, 2020 which was attended by Federal Minister, Ambassadors and renowned International Experts. The week concluded with the resolve to eliminating inefficiencies and facilitate competition in the power sector.

- The Chairman represented NEPRA at different forums, including meetings with the Prime Minister, Cabinet and CCoE Meetings.

- Engagement of International Consultants for IGCEP, CTBCM, Wheeling and Supply Regime etc.

- During COVID-19 pandemic, NEPRA operations were affected to a great extent. However, with untiring efforts of the Authority and professionals, NEPRA’s functions were made effective and convenient through ZOOM online meetings and hearings/consultative sessions which enabled easy public participation.

- 3361 Generation Licenses (2395 MW) were issued for Conventional Power Plants, Renewable Energy Projects, Hydropower Projects and Net Metering.

- 113 Authority Regulatory Meetings and 100 Public Hearings/Consultative Sessions were conducted to ensure public participation in the decision-making process.

- 88% Consumer complaints received in NEPRA were resolved/concluded.

- Consultative sessions on Indicative Generation Capacity Expansion Plan (IGCEP), Transmission System Expansion Plan and Medium-Term Energy and Demand forecasting were conducted.

- Five regional offices were established in addition to previously established provincial offices for facilitation of consumers at DISCOs level.

- First Transmission license was granted to Sindh Transmission & Dispatch Company (Private) Limited to act as a Provincial Grid Company in Sindh.

- Generation tariff was determined for 10 companies based on Solar PV Power with cumulative installed capacity of approximately 600 MW.

- Two Distribution licenses were issued for facilities located at Gujranwala and Hub, District Lasbela.

- Monthly Fuel Price Adjustments were determined for DISCOs.

- Fines were imposed on DISCOs on account of violations of Performance Standards, Distribution Code and other Applicable Documents as well as occurrence of fatal accidents.

- A fine of Rs. 50 Million was imposed on K-Electric on account of 19 fatal accidents that occurred in Karachi as a result of heavy rainfall during the months of July and August, 2019.
Legal proceedings were initiated against NTDC due to frequent tripping of its network and delay in approval of interconnection studies.

NEPRA Quarterly Newsletter was revived with the objective of sharing regulatory initiatives besides improving shareholders' engagement.

Training program on Pakistan's Power Regulatory regime for the Professionals of Afghan Power Sector was conducted under SAARC initiative.

To ensure health and safety of employees and visitors to NEPRA, a foolproof mechanism was devised in the wake of COVID-19 pandemic.

A new application was developed for receiving license applications online through NEPRA website.

Digital file management system was implemented through SharePoint platform.

Online training programs were developed for the employees to enhance their professional knowledge and skills.

Active work on a shift from "Take or Pay" to "Take and Pay" regime.

Shift from imported fuel to optimizing indigenous fuel.

Fast tracking completion of projects.

Scientific basis of Demand/Supply projections through IGCEP.

New NEPRA official website.

Active Social Media presence and engaging Academia.

Reduced time to obtain electricity service connection.

Simplification achieved in procedures to obtain electricity service connection.

Online serving Demand Notices and Easy Industrial Connection.
NEPRA and Power Sector Regulation
NEPRA was established in 1997, through an Act of Parliament, as result of Government’s Strategic Reforms for the Privatization of the Pakistan’s Power Sector in order to make it reliable, efficient and progressive in addition to safeguarding the interests of both investors and consumers.

REGULATORY FRAMEWORK
The power and the function of the Authority are stipulated in Section 7 of the Act. The Regulatory Framework of Rules, Regulations, Guidelines and SOPs, made under The Act, applied by NEPRA to regulate the power sector comprises the following:

- NEPRA Competitive Bidding Tariff (Approval Procedure) Regulations, 2017
- NEPRA (Import of Electric Power) Regulations, 2017
- NEPRA Guidelines to Lay Down the Methodology & Process for Determination of Revenue Requirement and UO SC for Transmission Licensee
- NEPRA (Selection of Engineering, Procurement and Construction Contractor by Independent Power Producers) Guidelines, 2017
- NEPRA (Wheeling of Electric Power Regulations), 2016
- NEPRA (Supply of Electric Power) Regulations, 2015
- NEPRA Standard Operating Procedures (SOPs) for Examination and Provision of Copies of Documents, 2015
- NEPRA Guidelines for determination of Consumer End Tariff (Methodology and Process), 2015
- NEPRA (Interconnection for Renewable Generation Facilities) Regulations, 2015
- Complaint Handling and Dispute Resolution (Procedure) Rules, 2015
- Market Operator Registration Standards and Procedure Rules, 2015
- Commercial Code 2015 of CPPA-G
- NEPRA Upfront Tariff (Approval & Procedure) Regulations, 2011
- Consumer Service Manual, 2010
- Performance Standards (Generation) Rules, 2009
- Uniform System of Accounts Rules, 2009
- NEPRA Review Procedure Regulations, 2009
- NEPRA Performance Standards (Transmission) Rules, 2005
- NEPRA Performance Standards (Distribution) Rules, 2005
- Grid Code, 2005
- Distribution Code, 2005
- NEPRA Interim Power Procurement (Procedure & Standards) Regulations, 2005
- Eligibility Criteria for Consumers of Distribution Companies, 2003
- NEPRA (Resolution of Disputes between Independent Power Producers and other Licensees) Regulations, 2003
- NEPRA Fees Rules, 2002
- NEPRA (Fines) Rules, 2002
- NEPRA Fees Pertaining to Tariff Standards & Procedure Regulations, 2002
- NEPRA Licensing (Generation) Rules, 2000
The NEPRA Act and Rules, Regulations, Guidelines, SOPs made thereunder are available on NEPRA website for easy access by all concerned.

GRANT OF LICENSES
Prior to amendment in NEPRA Act, the electric power generation, transmission and distribution were licensed activities. Through NEPRA (Amendment) Act, 2018, in addition to the earlier categories, new license categories have been introduced and now the electric power supply, trade, market operations, and System Operations are also separate licensed activities. Under the NEPRA Act, the Authority has the exclusive power to grant licenses for provision of electric power services in the country.

DETERMINATION OF TARIFF
Pursuant to Section 7 (3) of NEPRA Act, NEPRA has been expressly conferred the power to determine tariff, rates, charges and other terms and conditions for the supply of electric power services by generation, transmission distribution and suppliers and to recommend these to the Federal Government for notification. Section 31, Sub-section (3) of NEPRA Act, provide general guidelines for determination, modification or revision of rates, charges, and terms and conditions for provision of electric power services.

A transparent procedure is followed for determination of tariff under NEPRA Tariff (Standards & Procedure) Rules, 1998 through participation of the stakeholders and due diligence is exercised for assessment of appropriate level of expenses and rate of return allowed to the licensees.

PRESCRIBE AND ENFORCE PERFORMANCE STANDARDS
Performance Standards (Generation) Rules 2009, Performance Standards (Transmission) Rules 2005 and Performance Standards (Distribution) Rules 2005 have been issued to ensure provision of quality and reliable services to all consumers. These standards are to be observed by all licensees and adherence to the prescribed standards is ensured through site visits, evaluation of performance reports and legal proceedings.

MONITORING AND ENFORCEMENT OF THE REGULATORY FRAMEWORK
Monitoring and Enforcement (M&E) is an important function of regulation to ensure that the licensees operate in accordance with the conditions of the applicable documents including The Act, Rules, Regulations, Authority directives etc.

TRANSPARENCY
Transparency is the essence of NEPRA’s regulatory practices and a key element for trustworthiness of regulatory decisions. Transparency is ensured through public participation in the decision making process by holding public hearings, inviting written comments of stakeholders and general public, availability of public documents including Rules/ Regulations, licenses, tariff determinations, petitions etc., on NEPRA website.
Decision Making Process
THE AUTHORITY'S REGULATORY DECISION-MAKING PROCESS

NEPRA is a quasi-judicial body delegated to regulate the power sector including issuing licenses, determining tariffs, monitoring for maintenance of proper standards and quality of services as well as addressing complaints of consumers. The Authority exercises its power under the NEPRA Act and Rules and Regulations made thereunder and is also empowered to review its own decisions.

All petitions are examined in the light of relevant rules, which, inter-alia, involve interactive process of consultation with all stakeholders including consumers through public hearings and seeking comments through countrywide advertisements. This provides the Authority with a wide range of information which it evaluates before arriving at a decision.

Sindh Transmission & Despatch Company (Private) Limited (STDC) submitted an application for the grant of Transmission License to act as a Provincial Grid Company which was admitted by the Authority and advertised in Newspapers for seeking comments from stakeholders. A public hearing was held on 04.09.2019 wherein Minister for Energy Mr. Imtiaz Shaikh and representatives of STDC, CPPA-G, NTDC and Government of Punjab participated. STDC gave a detailed presentation and clarifications regarding the issues framed. After analyzing comments and clarifications given, License was granted to STDCL on 05.11.2019 to act as a Provincial Grid Company.
Regulatory Activities in FY 2019-20 and Anticipated Developments in 2020-21
The business of electric power generation is a licensed activity regulated by NEPRA under Section 14(B-D) of The Act. As per sub-section (5) of Section 14B of The Act, the Federal Government may, after consultation with the Authority and by notification in official gazette, provide a mechanism for the gradual cessation of the generation licences for various classes of generation licence holders, which shall not extend beyond a period of five years from the coming into effect of the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (i.e. from 30.04.2018) and thereafter, any generation company may establish, operate and maintain a generation facility without obtaining a licence under this Act if it complies with the technical standards relating to connectivity with the grid as may be specified.

1.1 GENERATION LICENSES
During 2019-20, 27 Nos. of Generation Licenses, with cumulative installed capacity of 2338.14 MW, were issued for following technologies.

<table>
<thead>
<tr>
<th>Technology</th>
<th>Number of Licenses</th>
<th>Capacity (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thermal</td>
<td>4</td>
<td>315.99</td>
</tr>
<tr>
<td>Hydel</td>
<td>2</td>
<td>117.02</td>
</tr>
<tr>
<td>Wind</td>
<td>4</td>
<td>138.70</td>
</tr>
<tr>
<td>Solar</td>
<td>16</td>
<td>621.43</td>
</tr>
<tr>
<td>Nuclear</td>
<td>1</td>
<td>1145.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>27</td>
<td><strong>2338.14</strong></td>
</tr>
</tbody>
</table>

**Licenses Awarded**

<table>
<thead>
<tr>
<th>Name of Company/ Licensee</th>
<th>Installed Capacity (MW)</th>
<th>Plant Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lake City Management (Private) Limited.</td>
<td>3.76</td>
<td>HFO</td>
</tr>
<tr>
<td>Jabori Hydro Power Project (PEDO)</td>
<td>10.82</td>
<td>Hydel</td>
</tr>
<tr>
<td>SAIFCO Hydropower Limited</td>
<td>106.20</td>
<td>Hydel</td>
</tr>
<tr>
<td>CIHC Pak Power Company Limited</td>
<td>300.00</td>
<td>S.T.</td>
</tr>
<tr>
<td>Karachi Nuclear Power Plant-2 (KANUPP-2)</td>
<td>1145.00</td>
<td>S.T.</td>
</tr>
<tr>
<td>Burj Wind Energy (Pvt.) Limited</td>
<td>13.80</td>
<td>WTG</td>
</tr>
<tr>
<td>Moro Power Company Limite</td>
<td>24.90</td>
<td>WTG</td>
</tr>
<tr>
<td>Shafi Energy (Pvt.) Limited</td>
<td>50.00</td>
<td>WTG</td>
</tr>
</tbody>
</table>
### Name of Company/ Licensee

<table>
<thead>
<tr>
<th>Name of Company/ Licensee</th>
<th>Installed Capacity (MW)</th>
<th>Plant Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sino Well (Pvt.) Limited</td>
<td>50.00</td>
<td>WTG</td>
</tr>
<tr>
<td>Enertech Bostan Solar (Pvt) Ltd.</td>
<td>50.00</td>
<td>Solar PV</td>
</tr>
<tr>
<td>Enertech Quetta Solar (Pvt) Ltd.</td>
<td>50.00</td>
<td>Solar PV</td>
</tr>
<tr>
<td>Kulachi Solar Power (Pvt.) Limited</td>
<td>50.00</td>
<td>Solar PV</td>
</tr>
<tr>
<td>US Apperal &amp; Textile (Pvt.) Limited</td>
<td>3.90</td>
<td>D.G.</td>
</tr>
<tr>
<td>Vision Developers (Private) Limited</td>
<td>8.33</td>
<td>Thermal</td>
</tr>
<tr>
<td>FAS Energy Pakistan (Pvt.) Limited</td>
<td>50.00</td>
<td>Photovoltaic Cell</td>
</tr>
<tr>
<td>Grid Edge (Pvt.) Limited-Karachi</td>
<td>2.00</td>
<td>Photovoltaic Cell</td>
</tr>
<tr>
<td>Javed Solar Park (Pvt.) Limited</td>
<td>49.50</td>
<td>Photovoltaic Cell</td>
</tr>
<tr>
<td>Asia Energy (Pvt.) Limited</td>
<td>30.00</td>
<td>Photovoltaic Cell</td>
</tr>
<tr>
<td>Siddiqsons Kohat Solar Limited</td>
<td>50.00</td>
<td>Photovoltaic Cell</td>
</tr>
<tr>
<td>Siddiqsons Nowshehra Solar Limited</td>
<td>50.00</td>
<td>Photovoltaic Cell</td>
</tr>
<tr>
<td>Atlas Energy Limited</td>
<td>0.83</td>
<td>Photovoltaic Cell</td>
</tr>
<tr>
<td>Shams Power Pvt. Limited</td>
<td>1.90</td>
<td>Photovoltaic Cell</td>
</tr>
<tr>
<td>K1 Solar Power Lahore (Pvt.) Limited</td>
<td>15.00</td>
<td>Photovoltaic Cell</td>
</tr>
<tr>
<td>Artistic Solar Energy (Pvt.) Limited</td>
<td>50.00</td>
<td>Photovoltaic Cell</td>
</tr>
<tr>
<td>P&amp;G Energy (Pvt.) Ltd.</td>
<td>62.20</td>
<td>Photovoltaic Cell</td>
</tr>
<tr>
<td>Solution De Energy (Pvt.) Limited</td>
<td>100.00</td>
<td>Photovoltaic Cell</td>
</tr>
<tr>
<td>ENI New Energy Pakistan (Pvt.) Limited</td>
<td>10.00</td>
<td>PV Modules</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2338.14</strong></td>
<td></td>
</tr>
</tbody>
</table>

#### 1.1.1 Net-metering Licenses

During the period under consideration, 3,334 Net Metering licenses with total installed capacity of 56.86 MW were issued, under the net-metering regime. The DISCO-Wise details of Distributed Generation/ Net Metering licenses is given below:
DISCO WISE NET METERING LICENCES ISSUED FOR THE FY 2019-2020

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>DISCO</th>
<th>Licences Issued</th>
<th>Capacity in MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>LESCO</td>
<td>886</td>
<td>14.98</td>
</tr>
<tr>
<td>2</td>
<td>IESCO</td>
<td>863</td>
<td>9.99</td>
</tr>
<tr>
<td>3</td>
<td>KE</td>
<td>730</td>
<td>12.24</td>
</tr>
<tr>
<td>4</td>
<td>BTPL</td>
<td>204</td>
<td>2.14</td>
</tr>
<tr>
<td>5</td>
<td>MEPCO</td>
<td>166</td>
<td>4.30</td>
</tr>
<tr>
<td>6</td>
<td>FESCO</td>
<td>152</td>
<td>3.96</td>
</tr>
<tr>
<td>7</td>
<td>GEPCO</td>
<td>134</td>
<td>4.72</td>
</tr>
<tr>
<td>8</td>
<td>PESCO</td>
<td>131</td>
<td>3.19</td>
</tr>
<tr>
<td>9</td>
<td>DHA-EME</td>
<td>56</td>
<td>0.63</td>
</tr>
<tr>
<td>10</td>
<td>HESCO</td>
<td>6</td>
<td>0.22</td>
</tr>
<tr>
<td>11</td>
<td>SEPCO</td>
<td>5</td>
<td>0.47</td>
</tr>
<tr>
<td>12</td>
<td>QESCO</td>
<td>1</td>
<td>0.02</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,334</strong></td>
<td><strong>56.86</strong></td>
<td></td>
</tr>
</tbody>
</table>

1.1.2 Modification in Existing Generation Licenses

During the FY 2019-20, NEPRA approved Modifications in Generation Licences of 26 (twenty-six) Nos. of generation companies for different reasons including enhancement/reduction of Installed Capacity, change of technology, change in auxiliary consumption, addition of Bulk Power Consumers (BPCs), extension of term of license, enhancement of useful life etc.

**Modifications in Existing Licenses**

<table>
<thead>
<tr>
<th>Name of Licensee</th>
<th>Modification Issued</th>
<th>Purpose of Modification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Power Generation Co. Ltd. (NPGCL) GENCO-III,</td>
<td>13.04.2020</td>
<td>Change of auxiliary consumptions</td>
</tr>
<tr>
<td>Central Power Generation Co. Ltd. (CPGCL) GENCO-II,</td>
<td>16.07.2019</td>
<td>Exclusion of TPS Guddu (unit 3) from the Generation Licence</td>
</tr>
</tbody>
</table>
1.1.3 Wheeling of Power

Under NEPRA (Wheeling of Electric Power) Regulations 2016, generation companies which are connected to Transmission and Distribution networks or those who intend to be connected to these networks, can transport their power using transmission of NTDC or distribution networks of DISCOs to supply power to their Bulk Power Consumers (BPCs). During the period under review, NEPRA modified the Generation Licenses of Fatima Energy (Private) Limited, Sanjwal Solar (Private) Limited and PEDO to supply power to their BPCs under Wheeling Regime.
1.1.4 Cancellation of License
During the FY 2019-20, eight Generation Licenses, having accumulative installed capacity of 152.45 MW, were cancelled on the request of licensees.

1.1.5 Anticipated Developments
- It is expected that new applications for the grant of generation licences for major chunk of Renewable Energy Projects complemented by conventional thermal and hydel power plants will be processed during the FY-2020-21.
- In addition to the Generation Licences, the net-metering regime is also acquiring high pace and a large number of applications for net-metering will be processed during 2020-21.
- Detailed design of competitive electricity market (CTBCM) is at advanced stage of the approval process. In view of the upcoming power market, it is expected that a number of new market participant (such as Supplier, Trader, System Operator and Market Operator etc.) will enter the market for which these entities will require licence from the Authority. In this regard, several applications for grant of Supplier Licence have already been received which will be processed and finalized during 2020-21.
- The IGCEP is to play a major role in induction of future generation capacity on least cost basis and investment on future transmission system of the NTDC. It is anticipated that the IGCEP will be resubmitted by NTDC and considered by the Authority for approval in the year 2020-21.

1.2 GENERATION TARIFF
Under Section 7, Sub-section (3) of the Act, NEPRA is exclusively empowered to determine tariff, rates, charges and other terms and conditions for the supply of electric power services by generation, transmission distribution and suppliers and to recommend these to the Federal Government for notification. Further, pursuant to Section 12 of the Act, the powers to determine tariff, cannot be delegated by the Authority.

1.2.1 Hydropower
During FY 2019-20, Decisions in the matter of Tariff Modification Petition for 147 MW Patrind Hydro Power Project and Tariff Petition filed by Kandiah Hydropower (Private) Limited were issued. Further, Review Decisions in respect of Master Hydro Power (Private) Limited and Neelum Jhelum Hydropower Project were also issued during the year.

1.2.2 Wind Power
During FY 2019-20, Decision of the Authority in the matter of Tariff Modification petition filed by Artistic Energy (Private) Limited for its 50 MW Wind Power Project located at Jhimpir, Thatta was issued. Similarly, two review decisions were also issued in respect of tariff of wind power projects during the year.

12 Nos. of Wind Power Projects, having cumulative capacity of 610 MW, achieved Financial Close during the year and will achieve COD by the end of 2021.

1.2.3 Solar Power
Generation tariff was determined for 10 companies based on Solar PV Power with cumulative installed capacity of approximately 600 MW. Decisions regarding Review Motion filed by three Solar PV Power Companies were also issued.

50 MW solar power plant of Gharo Solar (Private) Limited, achieved Commercial Operation Date on December 23, 2019 and started selling electricity to K-Electric Limited.
1.2.4 Bagasse
During the year, the Decision of the Authority in the matter of Suo Moto Review proceedings regarding Modification of Fuel Price Mechanism of Bagasse Based Power Projects was issued. The price of bagasse and its indexation mechanism was modified to calculate fuel cost component of new cogeneration as well as bagasse captive power plants.

1.2.5 Coal
During FY 2019-20, following Decisions were issued in respect of tariff of coal based electric power generation projects:

- Approval of Jetty O&M Tariff for China Power Hub Generation Company (Private) Limited
- Motion for Leave for Review filed by Huaneng Shandong Ruyi (Pakistan) Energy (Private) Limited regarding Fuel Price Adjustments
- Motion for Leave for Review filed by Port Qasim Electric Power Company (Private) Limited against Decisions regarding Fuel Price Adjustments
1.2.6 RLNG
During FY 2019-20, the following Decisions were issued in respect of tariff of RLNG based electric power generation projects:

- Decision of the Authority in the matter of petition filed by National Power Parks Management Company (Private) Limited for Modification of Tariff for RLNG based power plants at Haveli Bahadur Shah, Jhang
- Decisions of the Authority in the matter of petition filed by National Power Parks Management Company (Private) Limited for Modification of Tariff for RLNG based power plants at Balloki, Kasur
- Decision of the Authority in the matter of Motion for Leave for Review filed by National Power Parks Management Company (Private) Limited against Decision dated 18.11.2019 for Power Plant at Haveli Bahadur Shah, Jhang
- Decision of the Authority in the matter of Motion for Leave for Review filed by National Power Parks Management Company (Private) Limited against Decision dated 19.11.2019 for Power Plant at Balloki, Kasur
- Decision of the Authority in the matter of Petition filed by Quaid-e-Azam Thermal Power (Private) Limited for Modification of Tariff of Power Plant at Bhikki, Sheikhupura
- Decision of the Authority in the matter of Motion for Leave for Review filed by K-Electric Limited against Determination dated 07.12.2018 regarding approval to utilize RLNG as alternate Fuel

1.2.7 RFO
During FY 2019-20, the following Decisions were issued in respect of tariff of RFO based electric power generation projects:

- Decision of the Authority in the matter of petition of Tapal Energy (Private) Limited for approval of Generation Tariff for 126 MW RFO based power plant at Karachi
- Decision of the Authority in the matter of petition of Gul Ahmed Energy Limited for approval of Generation Tariff for 136.17 MW RFO based power plant at Karachi
- Decision of the Authority in the matter of Motion for Leave for Review filed by Tapal Energy (Private) Limited against Decision of Generation Tariff
- Decision of the Authority in the matter of Motion for Leave for Review filed by Gul Ahmed Energy Limited against Decision of Generation Tariff
- Decision of the Authority in the matter of petition filed by Lake City Management (Private) Limited for Determination of Generation Tariff for 3.76 MW power plant
- Decision of the Authority in the matter of Motion for Leave for Review filed by Sitara Energy Limited (SEL) against the decision regarding Power Acquisition Request of FESCO for Purchase of power from SEL

1.2.8 Nuclear
During 2019-20, the Decision in the matter of Motion for Review against Tariff Determination dated 04.04.2019 for 340 MW Chashma Nuclear Power Plant was issued.

1.2.9 Adjustments of Reference Generation Tariff at COD
During FY 2019-20, COD adjustments were made for six projects while review decisions in respect of COD adjustment of three projects were also issued during the year.

1.2.10 Indexation / Adjustment of Tariffs
During FY 2019-20, 556 Nos. of adjustments on account of quarterly indexation/adjustments of US CPI,
exchange rate, fuel price variation, withholding tax, turnover tax, calorific value and insurance component etc. were finalized.

1.2.11 Anticipated Developments
During FY 2020-21 decision will be given on petitions filed by 7 thermal projects, 6 wind power projects, 5 solar power projects. Decision will be given on Petition filed by NTDC for determination of use of system charges (UoSC) for the year FY 2019-20 FY 2020-21 and FY 2021-22. Further, RFPs submitted by AEDB to carry out the competitive bidding for wind and solar PV power projects will be finalized.

1.3 STANDARDS AND CODES

1.3.1 Draft Performance Standards (Generation) Regulations
The process to formulate new Performance Standards (Generation) Regulations to replace the existing Rules in light of the amendments in the NEPRA Act, 2018 is in advanced stage. Major activities carried out during the year to ensure compliance with the Standards and Codes by the generation companies is given in the following paragraphs.

1.3.2 Comprehensive Study on Commercial Viability of GENCOs
During the year, a preliminary study on the commercial viability of public sector GENCOs was carried out by analyzing the unit wise data pertaining to a number of technical and financial parameters including but not limited to Remaining Useful Life, Net Capacity, Planned/Unplanned Outages, Availability Factor, Net Capacity Factor, Net Output Factor, Efficiency, Revenue, Expenses etc. for the FY 2014-15 to FY 2018-19. The initial report has been shared with respective GENCOs for their input on the highlighted issues after which the final report will be presented before the Authority.

1.3.3 Performance Evaluation Report
The quarterly reports submitted by Tarbela (3478 MW), Mangla (1000 MW), Ghazi Barotha (1450 MW), Warsak (242.96) and Chashma (184 MW) hydel power stations for the FY 2018-19, under Performance Standards (Generation) Rules, 2009, were reviewed and a comprehensive Performance Evaluation Report was prepared which will be uploaded on NEPRA website after approval of the Authority.

1.3.4 Annual Dependable Capacity Test of GENCOs’ Power Stations
To comply with the requirements of the respective Power Purchase Agreements (PPAs), CPPA-G was directed for initiating the process to conduct the Annual Dependable Capacity Test by GENCOs of their power plants.

1.3.5 Testing/Readiness of Dual Fired Power Plants on Alternate Fuel
NPCC was directed to test the readiness of dual fired power plants to operate on alternate fuel in case of non-availability of primary fuel to cope up with emergency situations.

1.3.6 Visit to Different Power Plants
Member (Monitoring & Enforcement), along with the team of M&E Department, carried out visits to following power plants in order to check compliance level with the applicable documents including the Performance Standards (Generation) Rules, 2009, Generation License, Tariff Determination, Power Purchase Agreement etc:

i. 572 MW Bin Qasim Power Station-II
ii. 50 MW Ursun Solar Power Plant
iii. 49.5 MW Zephyr Wind Power Plant  
iv. 1320 MW Port Qasim Power Plant  
v. 1292 MW Hub Power Plant  
vi. 1320 MW China Power Hub Power Plant  
vii. 300 MW CIHC Coal Power Project at Gawadar  
viii. 3478 MW Tarbela Power Plant  
ix. 1410 MW Tarbela 4th Extension  
x. 1450 MW Ghazi Barotha Power Plant  
xi. 1000 MW Mangla Power Plant  
xii. 84 MW New Bong Escape Power Plant

During the visits, the Licensees were directed to submit quarterly performance reports as per the requirements of Performance Standards (Generation) Rules, 2009 on a regular basis.

1.3.7 Grid Code Addendum No. 2 (Revision 1)  
The Grid Code Addendum No. 2 (Revision-1) was approved for Grid Integration of Photovoltaic (PV) and Concentrated Solar Power (CSP) Plants as an applicable document of NEPRA in November, 2019. The revision of Grid Code is being pursued with NTDC in light of NEPRA Amended Act wherein the concept of Provincial Grid Company, System Operator, Market Operator, Traders and Suppliers has been introduced. The revision of Grid Code was also required to accommodate technological advancements e.g. HVDC, Hybrid and others. In this regard, NTDC has hired M/s DNV (Det Norske Veritas) GL, (B.V) Netherlands for consultancy services for review and update of the current Grid Code as per latest international practices under NTDC’s National Power Transmission Modernization Project Phase-1 (NPTM-1).
Transmission

Under the Act, transmission of electricity is a licensed activity which can only be carried out under the authority of a license issued by the Authority. The Act (prior to amendments in 2018) provided for grant of Transmission License to National Grid Company and Special Purpose Transmission License (SPTL). Through the amendments in the Act in 2018, a new category of transmission license i.e. Provincial Grid Company has also been added. Under Section 18A of NEPRA (Amendment) Act, 2018, the Authority may grant a licence authorizing a company owned by a Provincial Government to engage in the transmission of electric power within the territorial limits of the Province subject to such conditions as it may impose.

2.1 TRANSMISSION LICENSES

2.1.1 Transmission License to Sindh Transmission & Dispatch Company (Private) Limited
During FY 2019-20, Transmission license was granted to Sindh Transmission & Dispatch Company (Private) Limited, under Section 18-A of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997), to act as a Provincial Grid Company (PGC) in the Province of Sindh.
2.2 TRANSMISSION TARIFF

2.2.1 Use of System Charge
Determination of the Authority in the matter of petition filed by NTDC for determination of Transfer / Wheeling charges for FY 2017-18 and FY 2018-19 was issued on 31.07.2019. NTDC filed review against the said Determination and the Decision in the matter was also issued in March 2020. NTDC has also been directed to submit quarterly progress report and install CDP meters at all interconnection points for transparency and accuracy.

2.2.2 Review Request Pertaining to STDC
Sindh Transmission & Dispatch Company (STDC) holds SPTL for evacuation of power from two power plants of Sindh Nooriabad Power Company Limited (SNPCL). During the year, Decision of the Authority in the matter of Review Motion filed by STDC against tariff determination dated 14.06.2018 was issued.

2.3 STANDARDS AND CODES

2.3.1 Draft Performance Standards (Transmission) Regulations
The process to formulate new Performance Standards (Transmission) Regulations to replace the existing Rules in light of the amendments in the NEPRA Act, 2018 is in advanced stage. Major activities carried out during the year to ensure compliance with the Standards and Codes by the Transmission companies is given in the following paragraphs.

2.3.2 Meeting with NTDC for Performance Improvement
A meeting was held on 18.11.2019 at NEPRA Head Office, headed by Vice Chairman NEPRA, to discuss reasons of declining performance of NTDC with respect to quality of supply of power particularly voltage and frequency fluctuations due to which system outages/ disturbances occur thereby affecting the stability and continuity of reliable electricity to consumers. Remedial measures/steps taken were also discussed. Various reasons for voltage and frequency fluctuations were highlighted by NTDC such as non-availability of shunt reactors; off load transformer tap changers; unexpected variations in demand and supply; DISCO's failure to maintain 0.95 power factor; poor operational planning by DISCOs; delay in restoration of power supply by DISCOs; shortage of capacitor banks at DISCO's grid stations; non-availability of funds, resulting in poor repair & maintenance and timely equipment replacement. NTDC also provided a report regarding measures/ steps being taken and/ or to be taken along with timelines.
2.3.3 Submission of Quarterly Performance Reports
NTDC was directed to submit the quarterly performance reports on regular basis. NTDC was also directed to improve its data collection, compilation process and keep close liaison with NEPRA. NTDC submitted quarterly performance reports up to 4th quarter 2019-20 for review of the Authority.

2.3.4 Delay in Construction and Completion of Power Purchaser Interconnection Facilities
A joint meeting of stakeholders was held at NEPRA Headquarters to resolve interconnection issues of Lucky Electric Power Company Limited (LEPCL), wherein professionals of NEPRA, NTDC, CPPA-G, PPIB and LEPCL participated.

During the meeting, it was highlighted that in order for LEPCL to achieve scheduled completion date by 01.03.2021 NTDC must complete its interconnection facilities by 01.11.2020. Any failure of NTDC and consequent failure of LEPCL to achieve its scheduled COD would entail financial loss in the system.

NTDC was directed to complete its facilities on time and any interim measure as proposed by LEPCL must be holistically evaluated so that the COD of LEPCL was not delayed.

2.3.5 Visit to K-Electric KDA 33 Grid Station
NEPRA M&E team carried out a visit to KE’s KDA 33 Grid Station in August, 2019. Based on the observations during the visit, KE was directed to complete rehabilitation program to make the Grid Station as per standard engineering practices. In response, K-Electric submitted the rehabilitation program along with timelines and committed to ensure proper completion.
The unbundling of WAPDA through power sector reforms resulted in creation of ten (10) Distribution Companies i.e. EX-WAPDA DISCOs fully owned by Federal Government. Besides, EX-WAPDA DISCOs, Bahria Town Rawalpindi / Islamabad and DHA, EME Lahore also held Distribution Licenses. These DISCOs are performing distribution function under licences granted by NEPRA. Prior to amendments in NEPRA Act in April 2018, the distribution of electricity included the wire business as well as sale of electricity to the end-consumers. However, after the promulgation of NEPRA (Amendment) Act, 2018, the sale of electricity has been excluded from the ambit of distribution while for sale of electricity, 'Electric Power Supply Licence' is required. Under NEPRA (Amendment) Act, 2018, the existing distribution licensees shall be deemed to hold a licence for supply of electric power for a period of five years from coming into effect of NEPRA (Amendment) Act, 2018.

3.1 LICENSES
During FY 2019-20, Distribution Licenses were issued to Aujla & Associates Town Developers (Private) Limited and Lasbela Industrial Estates Development Authority for distribution facilities located at Gujranwala and Hub, District Lasbela respectively.

3.2 DISTRIBUTION TARIFF
Quarterly adjustments in the consumer-end tariff for the 1st and 2nd Quarters of FY 2018-19 were decided and made applicable by the Federal Government w.e.f. 01.07.2019. Similarly, quarterly adjustments for third and fourth quarters for FY 2018-19 and 1st quarter of FY 2019-20 were decided in September 2019 and November 2019 and notified by the Federal Government in October 2019 and December 2019 respectively. Monthly Fuel Price Adjustments in the consumer-end tariff were also determined during the year.

Pursuant to notification of Multi Year Tariff of K-Electric, adjustment on account of monthly fuel price variation for the period July 2016-June 2019 and quarterly adjustments for the period July 2016-March 2019 were decided in December 2019.

3.2.1 Development of CTBCM
Consistent with objectives of the Government of Pakistan, a market-based regime is being introduced in the power sector of Pakistan. CPPA-G has been mandated with the responsibility to design a Wholesale competitive market model for the country with the help of International Consultants.

CPPA-G was registered to act as Market Operator and has submitted a high level conceptual design of the Competitive Trading Bilateral Contract Market (CTBCM) for review and approval of NEPRA. After a detailed consultation process, the Authority, vide determination dated 05.12.2019, approved Conceptual design of the CTBCM Model and directed CPPA-G to submit the detailed design model along with its Implementation Roadmap for approval of the Authority.

In compliance with directions, CPPA-G submitted the detailed design report and implementation timelines for approval of NEPRA in February 2020. The Authority observed that the report lacked detailed aspects of the model and was also discrepant in various aspects.

The Authority engaged an International Consultant to further review the report. The consultant also highlighted a number of inconsistencies/discrepancies. In this regard, observations of NEPRA have been shared with CPPA-G.
3.3 Standards and Codes

3.3.1 Draft Performance Standards (Distribution) Regulations
The process to formulate new Performance Standards (Distribution) Regulations to replace the existing Rules in light of the amendments in the NEPRA Act, 2018 is in advanced stage. Major activities carried out during the year to ensure compliance with the Standards and Codes by the Distribution companies is given in the following paragraphs.

3.3.2 Performance Evaluation Report
Under Performance Standards (Distribution) Rules (PSDR) 2005 each Distribution Company is required to submit an Annual Performance Report (APR) to NEPRA before the 31st of August of the succeeding year. Accordingly, the APRs submitted by all Ex-WAPDA Distribution Companies (DISCOs) and K-Electric Limited for the FY 2018-19 were reviewed on the basis of Transmission and Distribution Losses, Recovery, System Average Interruption Frequency Index (SAIFI), System Average Interruption Duration Index (SAIDI), Time Frame for New Connection, Load Shedding, Nominal Voltage, Consumer Complaints, Safety and Fault Rate.

3.3.3 Consultative Session regarding Load Shedding and Placement of Hazardous Cables on Distribution Network of DISCOs
A consultative session to discuss principles and priorities of load shedding and hazardous placement of TV/Internet cables on the distribution system was conducted in December, 2019, wherein, the representatives of DISCOs, NTDC and K-Electric participated. DISCOs and NTDC have been directed to submit a joint proposal/way forward regarding placement of Internet/TV cables to NEPRA.

3.3.4 Workshop on Safety Manual of DISCOs
A workshop was held in Lahore to discuss the Safety Manuals of DISCOs, wherein, the representatives of all Distribution Companies participated. The final draft of safety manual was reshaped and prepared as a 'Master Document' for all DISCOs and discussed with the Authority. Recognizing the importance of Health, Safety and Environment (HSE), the Authority directed review of the document by a HSE Consultant/Expert in light of NEPRA laws, working practices being carried out in NTDC/DISCOs and regional/international best practices.

3.3.5 Anticipated Developments
Following developments are anticipated in FY 2020-21:

i. Finalization of Performance Standards (Generation) Regulations
ii. Finalization of Performance Standards (Transmission) Regulations
iii. Finalization of Performance Standards (Distribution) Regulations
iv. Development of Performance Standards Regulations for Electric Power Supplier
v. Development of Performance Standards Regulations for Electric Power Trader
vi. Development of detailed SOP/Manual to carry out the investigation proceedings
vii. Revision of the Grid Code, 2005 including the following:
   a. Technical standards for construction of electrical plants, electric lines and connectivity to the grid.
   b. Grid standards for operation and maintenance of transmission lines
viii. Grid Code for HVDC
Consumer Affairs & Complaints Management

Safeguarding the interest of consumers and protecting them from discriminatory treatment is of critical importance to NEPRA. The Consumer Affairs Department (CAD) is responsible for handling the complaints of consumers under NEPRA Complaint Handling and Dispute Resolution (Procedure) Rules, 2015 read with Section 39 of the Act against a Licensee for contravention of any provision of the Act or any Order, Rule, Regulation, License or instructions made or issued thereunder.

NEPRA has established Regional Offices at all the Provincial Capitals in order to facilitate the consumers for speedy redressal of their grievances. The complaints received by the Authority mainly relate to excessive and detection billing, delay in provision of connections and replacement of defective meters, low voltage problem, slow augmentation of transformers, non-receipt of electricity bills, delay in replacement of damaged transformers, and excessive load shedding etc.

### Status of Complaints Received and Redressed During FY 2019-20

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FESCO</td>
<td>317</td>
<td>304</td>
<td>13</td>
</tr>
<tr>
<td>GEPCO</td>
<td>234</td>
<td>224</td>
<td>10</td>
</tr>
<tr>
<td>HESCO</td>
<td>720</td>
<td>694</td>
<td>26</td>
</tr>
<tr>
<td>IESCO</td>
<td>176</td>
<td>165</td>
<td>11</td>
</tr>
<tr>
<td>K-Electric</td>
<td>2231</td>
<td>1817</td>
<td>414</td>
</tr>
<tr>
<td>LESCO</td>
<td>472</td>
<td>448</td>
<td>24</td>
</tr>
<tr>
<td>MEPCO</td>
<td>463</td>
<td>431</td>
<td>32</td>
</tr>
<tr>
<td>PESCO</td>
<td>337</td>
<td>286</td>
<td>51</td>
</tr>
<tr>
<td>QESCO</td>
<td>55</td>
<td>34</td>
<td>21</td>
</tr>
<tr>
<td>SEPCO</td>
<td>582</td>
<td>549</td>
<td>33</td>
</tr>
<tr>
<td>TESCO</td>
<td>6</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>WAPDA</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>BTPL</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>PCP*</td>
<td>307</td>
<td>227</td>
<td>80</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>5,904</strong></td>
<td><strong>5,181</strong></td>
<td><strong>723</strong></td>
</tr>
</tbody>
</table>

* Pakistan Citizen Portal
4.1 ADDITIONAL REGIONAL OFFICES
During FY 2019-20, NEPRA established five additional regional offices at Multan, Gujranwala, Faisalabad, Hyderabad and Sukkur for facilitation of electricity consumers, in addition to previously established offices at Lahore, Karachi, Peshawar and Quetta.

4.2 REVISED CONSUMER SERVICE MANUAL
The Consumer Service Manual (CSM), which includes procedure for obtaining new connection and other allied issues, was initially approved in the year 2010. Owing to various developments in the distribution business, the CSM was reviewed in consultation with all Distribution Companies and several changes were made in the document. The updated CSM was approved by the Authority and is currently in field.

4.3 NEPRA APPELLATE BOARD
An Appellate Board has been established by the Authority to hear the Appeals received in NEPRA against the decision of the Provincial Offices of Inspection (POI) under Section 38 of NEPRA Act 1997. The following table shows the status of the Appeals decided by the Appellate Board during 2019-20:
### Status of Appeals Filed and Decided

<table>
<thead>
<tr>
<th>DISCO</th>
<th>Pending as on 01.07.2019</th>
<th>Filed from 01.07.2019 to 30.06.2020</th>
<th>Total</th>
<th>Decided</th>
<th>Balance as on 30.06.2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>FESCO</td>
<td>17</td>
<td>33</td>
<td>50</td>
<td>03</td>
<td>47</td>
</tr>
<tr>
<td>GEPCO</td>
<td>15</td>
<td>06</td>
<td>21</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>HESCO</td>
<td>04</td>
<td>01</td>
<td>05</td>
<td>03</td>
<td>02</td>
</tr>
<tr>
<td>IESCO</td>
<td>13</td>
<td>18</td>
<td>31</td>
<td>03</td>
<td>28</td>
</tr>
<tr>
<td>K-ELECTRIC</td>
<td>56</td>
<td>43</td>
<td>99</td>
<td>69</td>
<td>30</td>
</tr>
<tr>
<td>LESCO</td>
<td>58</td>
<td>59</td>
<td>117</td>
<td>29</td>
<td>88</td>
</tr>
<tr>
<td>MEPCO</td>
<td>24</td>
<td>34</td>
<td>58</td>
<td>19</td>
<td>39</td>
</tr>
<tr>
<td>PESCO</td>
<td>00</td>
<td>05</td>
<td>05</td>
<td>04</td>
<td>01</td>
</tr>
<tr>
<td>QESCO</td>
<td>00</td>
<td>00</td>
<td>00</td>
<td>00</td>
<td>00</td>
</tr>
<tr>
<td>SEPCO</td>
<td>00</td>
<td>09</td>
<td>09</td>
<td>09</td>
<td>00</td>
</tr>
<tr>
<td>TESCO</td>
<td>00</td>
<td>00</td>
<td>00</td>
<td>00</td>
<td>00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>187</strong></td>
<td><strong>208</strong></td>
<td><strong>395</strong></td>
<td><strong>149</strong></td>
<td><strong>246</strong></td>
</tr>
</tbody>
</table>

#### 4.4 ANTICIPATED DEVELOPMENTS

i. The CSM will be reviewed further in light of comments/observations, if received, from the stakeholders.

ii. Online consumer complaint portal will be developed for speedy redressal of complaints.

iii. NEPRA Consumer Eligibility Criteria, 2003 will be reviewed/ revised in consultation with all concerned stakeholders.
Monitoring and Enforcement

The Monitoring and Enforcement Department of NEPRA works to raise the competency and performance of the power sector by enforcing Rules and Regulations, Statutory Orders and Terms and Conditions that are mentioned in the License, Standards and Codes of Conduct etc.

Vice Chairman NEPRA, Engr. Bahadur Shah, along with M & E Team, visited 572 MW KE Bin Qasim Power Station-II to check the plant status at site. Besides plant performance, the issue of gas availability was also discussed. The Member directed K-Electric to make all efforts for availability of gas to utilize the efficient plants at their maximum capacity.

Visit to 572 MW CCPP Bin Qasim Power Station-II by Member (M&E)

5.1 GENERATION

Regarding issue of under-utilization of available generation capacity due to transmission system constraints NTDC was directed to identify system limitations causing under-utilization of available efficient power plants and submit a detailed plan covering remedial measures and timelines. Based on response of NTDC, a detailed report/analysis on under-utilization of power plants was sent to Ministry of Energy (Power Division) for necessary action.

Indicative Generation Capacity Expansion Plan (IGCEP) was returned to NTDC on 19.11.2019 with directions to re-submit the same after addressing NEPRA’s observations. NTDC re-submitted IGCEP on 20.04.2020. Consultative sessions on IGCEP, Transmission System Expansion Plan and Medium Term Energy & Demand forecasting were conducted.

Based on the data received from CPPA-G, the matter of under-utilization of power plants was taken up with the Generation and Transmission companies to take remedial measures to ensure optimal utilization of available electric power generation capacity. Show Cause Notice under Rule 4(8) & (9) of NEPRA (Fines)
Rules, 2002 was issued to Chairman WAPDA on 18.07.2019 about closure of Tarbela (Ext. 4) power project. The response of Show Cause Notice by WAPDA has been forwarded to Ministry of Water Resources for further necessary action.

Show Cause Notice was issued to NTDC due to frequent tripping of NTDC’s network around Chashma Nuclear Power Plant, which adversely affected its operation. Reply was submitted by NTDC against aforesaid Show Cause Notice and the Authority issued warning to NTDC and directed to strengthen its transmission network. Furthermore, the Authority also issued instructions to the management of Chahsma Nuclear Power Generating Station (CNPGS) regarding operation of Power System Stabilizer (PSS).

Fines were imposed on GENCO-I, II & III on account of excess auxiliary consumption and availing higher outages during the FY 2014-15 and 2015-16.

Legal proceedings initiated against CPPA-G due to non-imposition of liquidated damages on GENCO-I, II & III on account of availing higher outages than the allowed limit as specified in their respective PPAs during FY 2014-15 and 2015-16 were concluded during the year.

A fine of Rs.1 Million was imposed on NTDC/NPCC for putting units/machines on standby mode during FY 2014-15 and 2015-16. NTDC/NPCC filed review petition for which proceedings are under process.

Regarding issues of power evacuation and frequent load curtailment raised by various Wind Power plants, a meeting was conducted with Wind Power Plants, NTDC, K-Electric, CPPA-G and HESCO at Jhimpir to discuss power evacuation and stability issues and way forward for ensuring reliable electricity. Subsequently, NTDC was directed to complete various developmental works for optimum evacuation of power.

Keeping in view the importance of Economic Merit Order (EMO), Authority directed NTDC and CPPA-G to give a presentation regarding preparation and implementation of EMO. Accordingly subject presentation was given before the Authority. During the presentation NPCC stated that largely Merit Order is followed. However, due to network constraints Merit Order is deviated to ensure inter-alia system integrity, reliability, security and continuity of supply etc. The Authority expressed concerns over the deviation of Merit Order and directed NPCC and CPPA-G as follows:

(a) NTDC to submit detailed plan for removal of its system constraints and to ensure system reliability and stability. Furthermore, as a standard practice, any out of merit power plant dispatch by System Operator has to be notified to the CPPA-G and copies to NEPRA immediately.

(b) CPPA-G, while submitting the request for Monthly Fuel Price Adjustment before NEPRA, shall thoroughly scrutinize the generation data in all respects as provided in the applicable documents and shall submit a certificate along with its request for Monthly Fuel Price Adjustment that all plants generation data has been scrutinized and found that plants are operated as per Merit Order. Further, CPPA-G to quantify and verify the commercial impact resulting due to deviation of Merit Order and submit the same to NEPRA.

5.2 TRANSMISSION & DISTRIBUTION
During FY 2019-20, actions were taken against concerned DISCOs who failed to draw full allocated quota of power against their demand due to system constraints. DISCOs were also directed to improve their distribution system to minimize load shedding. The deadline for SEPCO and QESCO to complete
digitization of distribution network was extended from June 2019 to June 2020.

The Authority vide tariff determination of EX-WAPDA DISCOs for FY 2016-17 & FY 2017-18 and NTDC for FY 2017-18 & 2018-19 issued several directions for compliance within the prescribed time limit. In order to enforce Authority’s directions, regular progress reports were sought from DISCOs and NTDC which were analyzed and presented to the Authority.

Major observations and discrepancies were noted on load shedding carried out by DISCOs on basis of feeder wise losses, transmission & distribution losses of DISCO’s, loading position of 500 kV, 220 kV and 132 kV grid stations and power transformers, loading position of distribution transformers and feeders, and installation of Time of Use (ToU) Meters. These were conveyed to management of Distribution Companies along with proposed measures to enhance their performance.

Delay in approval of grid interconnection studies is a major hurdle in materialization of power projects. Fine was imposed on NTDC for delay in approval of grid interconnection studies for various power projects by NTDC.

5.2.1 Chashma Nuclear Power Plant Frequent Tripping due to NTDC’S Network
Pakistan Atomic Energy Commission (PAEC) filed a complaint regarding frequent grid failure events adversely affecting the operation of Chashma Nuclear Power Generating Station (CNPGS). Taking cognizance of this, legal proceedings were initiated against NTDC for its failure to operate and maintain 220 kV transmission lines associated with the Nuclear Power Plant thereby resulting in damage to nuclear power plant machinery and loss of generation from plant. A strict warning was issued to NTDC for frequent tripping of transmission lines around Chashma Nuclear Power Generating Station along with directions to strengthen transmission system reliability around CNPGS, minimize tripping of transmission lines allied with CNPGS, rehabilitate transmission lines especially 220 kV Ludewala - Gatti and 220 kV Daudkhel-Peshawar circuits, improve protection settings at grid stations, ensure operation of system stability equipment such as PSS at CNPGS as well as at other power plants in future where PSS is installed.

5.2.2 Energization of 132 KV Bahria Enclave Grid Station
Energization of 132 kV Bahria Enclave Grid Station was allowed on NO LOAD only for the purpose of equipment testing and not for providing electricity to any consumer. IESCO was directed to seek undertaking from Bahria Town Services that subject Grid Station would be operated at No Load Only and Bahria Town Services shall not resell the electricity to the allottees/residents of the society through this grid station till fulfilment of the legal and codal formalities as prescribed under relevant laws.

5.2.3 Consultative Session on Transmission System Expansion Plan
The Transmission System Expansion Plan (TSEP) is being prepared by NTDC as per obligations of clause PC 4.2 of Grid Code 2005. In this regard, a discussion meeting was held at NEPRA during which NTDC presented the plans/progress of power dispersal arrangement of existing and upcoming power generation projects and elimination of system constraints. NTDC was directed to submit progress of interconnection works for power plants on monthly basis, expedite work on elimination of system constraints especially those which are causing operation of expensive power plants, identify system limitations causing under-utilization of available efficient power plants and share maintenance plans (preventive & corrective) for grid stations and transmission lines.

5.2.4 Instability of 220KV New Jhimpir Grid Station and Allied Transmission Lines
In view of complaints of Wind Power Plants (WPPs) regarding Instability of 220 kV New Jhimpir Grid
Station and Allied transmission Lines, a team from NEPRA visited wind generation and power transmission facilities of NTDC at Jhimpir. NTDC was directed to take the following measures:

a. To fix responsibility for installation of sub-standard disc insulators resulting in excessive faults and tripping on 220 kV lines.
b. Apprise NEPRA of remedial measures taken to ensure reduced tripping and drawl of available power from Wind Power Plants.
c. To ensure immediate measures to maintain system voltage within permissible limits around the wind corridor.
d. NTDC, HESCO and Kotri Power House to co-ordinate regarding protection setting on the grid station, so as to avoid tripping.
e. All wind power projects to ensure operation of SVCs/Shunt compensators in order to improve power factor, voltage regulation and stability of the system.

Further, HESCO was directed to perform rehabilitation of 132 kV lines allied with wind power plants and utilize the allocated quota of power.

5.2.5 Power Factor Position of DISCOS and K-Electric

In order to ensure implementation of Grid Code-2005 and Distribution Code-2005, DISCOs and K-Electric were directed to submit information regarding power factors at CDP points and 11 kV feeders. The information was provided by all DISCOs wherein it transpired that power factor position in SEPCO, QESCO and PESCO was very poor and instructions were issued to these DISCOs to submit plans for improvement of Power Factor.

5.2.6 Consultative Session on Demand Forecast of DISCOS

A consultative session on Demand Forecast was conducted in October 2019 which was attended by relevant stakeholders and industry experts. The shortcomings in demand forecast were conveyed to DISCOs/NTDC for early resolution and fair reporting.

5.2.7 Legal proceedings against MEPCO

Legal proceedings were initiated against MEPCO for violation of Restoration of Power Supply, Timeframe for New Connections, Load-Shedding, Nominal Voltages, Safety, Complaint Handling Mechanism as envisioned in Performance Standards (Distribution) Rules 2005, Distribution Code and other applicable documents. The proceedings are currently under progress.

5.2.8 Investigation against MEPCO under Section 27A on account of Fatal Accident

Taking serious notice of fatal accident of LM-I of Satluj Sub Division, Bahawalpur, MEPCO, who was electrocuted on 26.03.2019 while installing 200 kVA transformer on College Road-II feeder, the Authority initiated investigation proceedings against MEPCO under Section 27A of the NEPRA Act. The investigation committee presented its report before the Authority in September, 2019. Show Cause Notice was issued against MEPCO and its employees for, prima facie, being party to the accident under Section 27B of NEPRA Act. Hearing was held on 11.06.2020. The Authority decided to impose a fine of Rs. 10 million on MEPCO. Regarding MEPCO employees (LS and LFM), the Authority decided not to impose penalties on LS and LFM as DISCO has already taken action and penalized them.

5.2.9 Investigation against PESCO under Section 27A of NEPRA Act

Investigation proceedings were initiated against PESCO on account of 26 fatal accidents (11 Employees +
15 Public) that occurred in PESCO during the period July - December, 2019. The investigation committee visited PESCO and it transpired that PESCO was responsible for 14 out of total 26 fatal accidents. Accordingly, it was decided to issue Show Cause Notice to PESCO.

5.2.10 Non-compliance with Performance Standards (Distribution) Rules 2005
The Authority imposed a fine of Rs. 4 Million each on LESCO and FESCO on account of non-compliance with Performance Standards, Distribution Code and other applicable documents. Thereafter, a team of NEPRA professionals visited LESCO in July, 2019 and FESCO in January, 2020 to check improvements in performance of these DISCOs in different areas such as load shedding, verification of data related to interruptions & complaints as submitted by these DISCOs in their Annual Performance Reports, maintenance of grid stations, voltage levels, pendency of ripe connections, overloading of power transformers, distribution transformers and feeders, safety issues, investment plans etc. CEOs of both DISCOs gave detailed presentations to the Authority in June and July, 2020 and assured to rectify the discrepancies noted by NEPRA team.

5.2.11 Review Petitions filed by IESCO and BTPL
Review petitions filed by IESCO and BTPL against decisions of imposing a fine of Rs. 1 Million each for violating Performance Standards while carrying out load shedding in Bahria Town were disposed of deciding to maintain earlier decisions of the Authority.

5.2.12 Investigation against KE under Section 27A of NEPRA Act
Investigation proceedings were initiated against K-Electric on account of number of fatal accidents that occurred in Karachi as a result of heavy rainfall during the months of July and August, 2019. The investigation committee visited K-Electric and observed that K-Electric was responsible for 19 out of total 35 fatal accidents. Accordingly, Show Cause Notice was issued and after due legal process, a fine of Rs. 50 Million was imposed. K-Electric was directed to complete earthing/grounding plan of its distribution network by 30.04.2020 and also fulfil its commitments to provide compensation to bereaved families at the earliest. K-Electric filed review petition which was rejected. In its compliance/progress report submitted to NEPRA, K-Electric has reported that it has completed 90% of earthing/grounding of its total HT/LT poles. Further, it provided compensation to 13 bereaved families whereas five bereaved families refused to accept compensation while one family was untraceable.

5.2.13 Fine imposed on K-Electric
A Fine of Rs. 3 Million was imposed on K-Electric vide decision dated 03.10.2019 on account of underutilization of BQPS-I, non-commissioning of BQPS-II and KCCPP on alternate fuel despite the availability of infrastructure and violation of its own criteria while carrying out load shedding in different areas of Karachi during the period from 27.03 - 2018 to 10.04.2018. The review filed by KE against this decision was dismissed and the decision was maintained.

5.2.14 Anticipated Developments
- Effective Implementation of relevant areas of Grid & Distribution Codes.
- Monitoring of interconnection schemes of new power plants for timely completion.
- Monitoring the progress of planned generation projects.
- Effectively monitoring the progress of NTDC for removal of system constraints for optimal utilization of available generation capacity.
- Monitoring the progress for installation of SCADA system at 132/66 kV level for performing dispatch function efficiently by system operator.
6.1 LITIGATION REPORT FY 2019-20

A summary of litigations pending in different Courts of Law on 30-06-2020 in which either a decision of NEPRA is challenged or NEPRA is made a party are given below:

<table>
<thead>
<tr>
<th>Court</th>
<th>Pending on 30-06-2019</th>
<th>Filed in FY 2019-20</th>
<th>Total</th>
<th>Decided/Disposed in FY 2019-20</th>
<th>Pending on 30-06-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supreme Court of Pakistan</td>
<td>290</td>
<td>33</td>
<td>323</td>
<td>52</td>
<td>271</td>
</tr>
<tr>
<td>Islamabad High Court</td>
<td>111</td>
<td>57</td>
<td>168</td>
<td>43</td>
<td>125</td>
</tr>
<tr>
<td>Lahore High Court Lahore</td>
<td>358</td>
<td>788</td>
<td>1,146</td>
<td>815</td>
<td>331</td>
</tr>
<tr>
<td>Lahore High Court Multan</td>
<td>160</td>
<td>61</td>
<td>221</td>
<td>63</td>
<td>158</td>
</tr>
<tr>
<td>Lahore High Court Bahawalpur</td>
<td>13</td>
<td>5</td>
<td>18</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Lahore High Court Rawalpindi</td>
<td>52</td>
<td>3</td>
<td>55</td>
<td>6</td>
<td>49</td>
</tr>
<tr>
<td>Peshawar High Court</td>
<td>66</td>
<td>65</td>
<td>131</td>
<td>59</td>
<td>72</td>
</tr>
<tr>
<td>Peshawar High Court Abbottabad</td>
<td>20</td>
<td>8</td>
<td>28</td>
<td>0</td>
<td>28</td>
</tr>
<tr>
<td>High Court of Sindh Karachi</td>
<td>253</td>
<td>90</td>
<td>343</td>
<td>121</td>
<td>222</td>
</tr>
<tr>
<td>High Court of Sindh Hyderabad</td>
<td>24</td>
<td>3</td>
<td>27</td>
<td>17</td>
<td>10</td>
</tr>
<tr>
<td>High Court of Sindh Sukkur</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>High Court of Sindh Larkana</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Balochistan High Court</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Civil Courts</td>
<td>72</td>
<td>37</td>
<td>109</td>
<td>82</td>
<td>27</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,423</strong></td>
<td><strong>1,153</strong></td>
<td><strong>2,576</strong></td>
<td><strong>1,272</strong></td>
<td><strong>1,304</strong></td>
</tr>
</tbody>
</table>

6.2 ANTICIPATED DEVELOPMENTS

After enactment of NEPRA Amendment Act, 2018, the process was initiated to draft new Regulations to align with the requirements of the Amended Act. The finalization of following new Regulations was at an advanced stage on 30-06-2020:

- NEPRA Licensing (Application, Modification, Cancellation and Extension) Regulations, 2020 to provide for form, manner, procedure and fee for applications for:
i. Generation License
ii. Transmission License (NGC, PGC, SPTL)
iii. Distribution License
iv. Electric Power Supply License

- NEPRA (Fee) Regulations, 2020 to provide for Annual License Fee for
  i. Generation
  ii. Transmission
  iii. Distribution
  iv. Supplier
  v. System operator
  vi. Market operator

- NEPRA Performance Standards (Distribution) Regulations, 2020
- NEPRA Licensing (Distribution) Regulations, 2020
- NEPRA Licensing (Electric Power Supply) Regulations, 2020
- NEPRA (Selection of O&M Operator through Competitive Bidding) Guidelines, 2020
- NEPRA Tariff (Procedures) Regulations, 2020

Following Legislative tasks with respect to amendments in existing regulations are also at final stage of processing:

- NEPRA (Supply of Power) Regulations, 2015
- NEPRA (Import of Power) Regulations, 2017
- NEPRA (Review Procedure) Regulations, 2009
Coordination & Implementation

The Coordination & Implementation (C&I) Department manages the conduct of Authority Regulatory Meetings, Hearings, Consultative Sessions and recording of minutes & decisions and their issuance. The C&I Department also ensures internal compliance of Authority decisions through a process of implementation/monitoring.

During the FY 2019-20, 113 Nos. of Authority Regulatory Meetings and 100 Nos. of Public Hearings were held. During Covid-19 pandemic, C&I Department, with the assistance of IT Department, successfully managed online Authority Regulatory Meetings and hearings through Zoom. The details are given in the following Table:

<table>
<thead>
<tr>
<th>Month</th>
<th>Regulatory Meetings</th>
<th>Hearings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2019</td>
<td>08</td>
<td>01</td>
<td>09</td>
</tr>
<tr>
<td>August 2019</td>
<td>10</td>
<td>02</td>
<td>12</td>
</tr>
<tr>
<td>September 2019</td>
<td>12</td>
<td>04</td>
<td>16</td>
</tr>
<tr>
<td>October 2019</td>
<td>12</td>
<td>13</td>
<td>25</td>
</tr>
<tr>
<td>November 2019</td>
<td>09</td>
<td>09</td>
<td>18</td>
</tr>
<tr>
<td>December 2019</td>
<td>13</td>
<td>12</td>
<td>25</td>
</tr>
<tr>
<td>January 2020</td>
<td>09</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>February 2020</td>
<td>07</td>
<td>17</td>
<td>24</td>
</tr>
<tr>
<td>March 2020</td>
<td>07</td>
<td>15</td>
<td>22</td>
</tr>
<tr>
<td>April 2020</td>
<td>05</td>
<td>01</td>
<td>06</td>
</tr>
<tr>
<td>May 2020</td>
<td>10</td>
<td>00</td>
<td>10</td>
</tr>
<tr>
<td>June 2020</td>
<td>11</td>
<td>16</td>
<td>27</td>
</tr>
<tr>
<td>TOTAL</td>
<td>113</td>
<td>100</td>
<td>213</td>
</tr>
</tbody>
</table>
During the year, C & I Department also started sharing working papers, minutes of meetings and meeting agenda through share point/ECM platform. The digital communication has overall reduced time and improved efficiency through these paper-less initiatives. The C & I Department also prepared quarterly Newsletter of NEPRA highlighting the significant organizational activities during the relevant period. Complete digitization of the Authority decisions implementation process and related reports is expected in FY 2020-21.
8. **AUDIT OF ANNUAL ACCOUNTS OF NEPRA**

8.1 **EXTERNAL AUDIT OF NEPRA ACCOUNTS**
M/s Ilyas Saeed & Company, Chartered Accountants carried out the external audit of annual accounts of NEPRA for FY 2019-20 which were approved by the Authority.

8.2 **STATUTORY AUDIT OF NEPRA ACCOUNTS**
In pursuance of section 14 of the NEPRA Act, the statutory audit of annual accounts of NEPRA for FY 2018-19 was carried out by the team deputed by Auditor General of Pakistan (AGP) during first quarter of FY 2019-20.

8.3 **FILING OF ANNUAL TAX RETURN OF NEPRA**
In compliance of section 114(1) of the Income Tax Ordinance, 2001, the annual tax return of NEPRA for the tax year ended 30.06.2019 was electronically filed to Federal Board of Revenue.

8.4 **ANNUAL BUDGET OF NEPRA**
The Annual Budget of NEPRA for FY 2020-21 was approved by the Authority to ensure effective monitoring and control of operating and capital receipt/spending items envisaged by the concerned departments.

8.5 **ANNUAL LICENSE FEE**
NEPRA collects annual license fee in accordance with the base rates (as defined in NEPRA (Fees) Rules, 2002 computed/indexed with most recent Consumer Price Index (CPI) published every month by Pakistan Bureau of Statistics (PBS). Being major source of income, the Annual License Fee effective 01.07.2019, was charged to the licensees for FY 2019-20 and is summarized as under:

<table>
<thead>
<tr>
<th>FEES (Annual) under Rule 3 PART I Annual License Fee Charged During FY 2019-20 to Major Segments</th>
<th>Base Rates Effective 01 July, 2014 Based on S.R.O.582(I)/2014 27 June, 2014</th>
<th>Indexed Rates Effective 01 July, 2019 Based on CPI of June, 2019 (246.82)</th>
<th>Number of Licensees</th>
<th>Annual License Fee FY 2019-20 (PKR in Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation (Rs. per MW)</td>
<td>4,079</td>
<td>16,278</td>
<td>323</td>
<td>999.513</td>
</tr>
<tr>
<td>Transmission (Rs. - fixed)</td>
<td>1,323,000</td>
<td>5,279,564</td>
<td>2</td>
<td>10.559</td>
</tr>
<tr>
<td>Distribution (Rs. per kWh)</td>
<td>0.000826</td>
<td>0.003296</td>
<td>17</td>
<td>357.488</td>
</tr>
<tr>
<td><strong>Gross Amount</strong></td>
<td></td>
<td></td>
<td><strong>342</strong></td>
<td><strong>1,367.560</strong></td>
</tr>
</tbody>
</table>
8.6 CONTRIBUTIONS TO GOVERNMENT

The following table shows the amounts paid by NEPRA to the Federal Consolidation Fund, contribution to Prime Minister's Covid-19 fund as well as the tax payment during FY 2019-20.

<table>
<thead>
<tr>
<th>Nature of Contribution</th>
<th>PKR in Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment of Surplus to Federal Consolidation Fund, as required under section 13 of NEPRA Act.</td>
<td>45.000</td>
</tr>
<tr>
<td>Tax Payments to Federal Board of Revenue (FBR):</td>
<td></td>
</tr>
<tr>
<td>Quarterly Installments of Tax Paid to FBR</td>
<td>41.403</td>
</tr>
<tr>
<td>Tax Collected/ deposited by Licensees on Fee Income</td>
<td>61.888</td>
</tr>
<tr>
<td>Tax Collected/ deposited by Other Agents on various transactions</td>
<td>17.939</td>
</tr>
<tr>
<td>Contribution by employees to PM COVID-19 Relief Fund</td>
<td>1.725</td>
</tr>
<tr>
<td>Tax deducted/ deposited against salaries of employees to FBR</td>
<td>65.920</td>
</tr>
<tr>
<td><strong>Total Amount</strong></td>
<td><strong>233.875</strong></td>
</tr>
</tbody>
</table>

8.7 IMPLEMENTATION OF ORACLE E-BUSINESS SUITE R12 (FINANCIALS) FOR NEPRA EMPLOYEES' PROVIDENT FUND TRUST ACCOUNTS

The earlier scope of processes and data of financial transactions since 2007 using Oracle E-Business Suite R12 (Financials & Payroll) platform was limited to corporate accounts of NEPRA comprising applications of General Ledger, Payables, Receivables, Cash Management, Assets and Payroll. Whereas, the financial transactions' data of one of the major terminal benefits i.e. NEPRA Employees' Provident Fund Trust was managed on a small scale accounting application.

During FY 2019-20 the scope of Oracle E-Business Suite R12 (Financials) was expanded and achieved successful implementation of new set of books and sub-ledgers for NEPRA Employees' Provident Fund Trust Accounts covering the major processes and financial transactions along with historic data migration from the legacy application.
Administration & Human Resource

The Administration Department successfully managed their important tasks of upkeep of NEPRA Tower, O&M of the building, arrangements for events organized by NEPRA, logistic support to other Departments, security of NEPRA building etc. Similarly HR Department carried out the tasks of recruitments, trainings & Development of manpower etc. Following are the highlights of some of the major tasks accomplished during 2019-20:

9.1 SAARC TRAINING PROGRAM
NEPRA hosted, under SAARC, five day training program on Pakistan's Power Regulatory regime for the Professionals of Afghanistan's Power Sector, which was inaugurated by the Federal Minister for Power Division, Mr. Omar Ayub Khan. The program included lectures (covering aspects of Tariff, Licensing, Standards and Legal Practices etc.) and site visits to Power Control Centers which helped to exchange knowledge and lessons learnt from regulatory experience of NEPRA.
9.2 NEPRA ENERGY WEEK
NEPRA hosted first Energy Week in February 2020. The event was a great success as it provided a unique opportunity to the energy professionals (both local and foreign), entrepreneurs and relevant Government entities to interact and deliberate on the critical issues confronting Pakistan’s power sector and the way forward. During the event, the focal areas of China Pakistan Economic Corridor (CPEC), Generation, Innovation, Transmission and Distribution and issues like need for availability of affordable and sustainable energy, importance of generation through renewable resources (wind, solar, bagasse etc.) were deliberated upon. The sessions of the Energy Week were attended by renowned National and International Power experts, Federal Minister for Energy, German and Chinese Ambassadors, Chairman CPEC Authority, Chairman WAPDA and Provincial Secretaries.
9.3 ANNUAL COAL CONFERENCE-SOUTH AFRICA
Chairman NEPRA and Member (Balochistan) attended 15th Annual Coal Conference in Cape Town, South Africa. Discussions during the event revolved mainly around the varying settings resulting from new regulations, challenges, technologies and players of the coal industry. The importance of adaptability of coal to ever-changing market demands was also discussed along with an insight into future prospects.

9.4 MEETING(S) OF NEPRA CHAIRMAN WITH PRIME MINISTER
A number of meetings were held between the Prime Minister Imran Khan and NEPRA Chairman regarding electricity tariffs, energy security, reliability, sustainability and the challenges faced by the power sector of the Country.

9.5 MULTILATER DONOR AGENCIES CALLING ON CHAIRMAN NEPRA
Lead energy specialists including Ambassador of Italy, Ambassador of People's Republic of China,
Ambassador of Denmark, IMF Staff Mission, ADB Missions, Senior Energy Advisor from USAID and CEO of Enertech etc. paid visits to Chairman NEPRA and discussed investment avenues in Pakistan's Power Sector, review of the extended fund facility, need for establishment of a competitive power market, importance of identification of gaps in existing regulatory regime to help conform it with the provisions of NEPRA Act and review of NEPRA (Amendments) Act.

9.6 TRAINING SESSION ON "ELIMINATING HARASSMENT AT WORKPLACE"
A training session on "Eliminating Harassment at Workplace" was held at NEPRA Tower to help the employees understand ways and means to counter harassment at work. During the training, associated National Laws were elaborated comprehensively by Barrister Maham Durrani.

9.7 TRAINING & DEVELOPMENT
NEPRA places a great emphasis on capacity building of its employees. NEPRA employees are regularly nominated for local and foreign training programs in addition to the in-house trainings held by HR Department. During the year 69 Nos. of employees were provided local/foreign training. Ten employees were nominated to attend a conference on "Power Week Asia" held in Singapore. 3rd Renpower Pakistan Investor Forum was also held upon Invitation of Euro-convention Global, Brussels, Belgium, through an online stream conference due to ongoing situation of Covid-19. It was attended by the companies and senior business executives from Europe, Middle East and Asia.

9.8 ANNUAL DINNER-2019
NEPRA Annual Dinner was organized to provide an opportunity of get together to NEPRA employees and
9.9 EMPLOYMENT/GROWTH OPPORTUNITIES
To meet requirements of various departments specially newly established Regional Offices, vacant positions were advertised through Open Testing Service in line with the guidelines issued by the Federal Government/Establishment Division. Formal orientation sessions were also arranged for new recruits for better understanding of the Regulatory and Administrative Functions of NEPRA. A total of 40 new appointments of officers/staff were made during FY 2019-20 on regular and contract basis.

9.10 CHAIRMAN CUP CRICKET TOURNAMENT
The 2nd Chairman Cup Cricket Tournament was organized during the FY 2019-20 which was enthusiastically participated by the Authority, employees and their families. A number of other such events were held to promote stress-free environment to employees and to ensure mental and physical health.

9.11 INTERNSHIP PROGRAM
NEPRA Internship Programme is aimed at fulfilling its Corporate Social Responsibility and provide the students and fresh graduates a chance to enhance their marketability and the opportunity to explore career opportunities via practical application of their education. During FY 2019-20 internship opportunity was provided to fresh graduates in different areas as per the following detail:
<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Department</th>
<th>Total Internees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tariff/ Finance</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>Technical</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>IT</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>Law</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>Admin./ HR</td>
<td>8</td>
</tr>
<tr>
<td>6</td>
<td>Consumer Affairs</td>
<td>3</td>
</tr>
<tr>
<td>7</td>
<td>Licensing</td>
<td>5</td>
</tr>
<tr>
<td>8</td>
<td>Registrar Office</td>
<td>2</td>
</tr>
<tr>
<td>9</td>
<td>M&amp;E/ C&amp;I/ Standards</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td><strong>Grand Total</strong></td>
<td><strong>37</strong></td>
</tr>
</tbody>
</table>
9.12 KASHMIR WALK
In order to express solidarity with oppressed people of Indian Occupied Kashmir, NEPRA on 30.08.2019 and 06.09.2019, observed Kashmir hour by organizing a walk in which the Authority and employees participated with great commitment.

9.13 TREE PLANTATION DRIVE
In order to mitigate the effects of climate change and protect the environment from degradation, Tree Plantation drive was carried out on August 27, 2019 outside NEPRA Office building.

9.14 PREVENTIVE MEASURES AGAINST CORONAVIRUS OUTBREAK
To counter the challenge caused by global outbreak of the pandemic Coronavirus (Covid-19), a foolproof mechanism was devised to prevent contraction of COVID-19 at NEPRA. Women and employees over 50 years of age were encouraged to work from home using video link/calls during the outbreak of Coronavirus. For other employees a rational mechanism of attendance was developed whereby the employees were asked to attend office on alternate days on rotational basis. To ensure safety and to avoid any untoward situation, proactive measures were adopted and face masks, hand sanitizers, floor disinfectants, radioactive thermometers, hand gloves, protective suits for security team etc. were procured at NEPRA Tower and RFID cards were also procured for each employee to mark attendance at the biometric system. The detailed disinfection of the building was carried out twice or thrice every week to fight outbreak of Coronavirus.

9.15 ONLINE SEMINARS/ TRAINING PROGRAMS
3rd ERRA meeting of Liaison officers was arranged through an online session. A webinar on cyber security and two online training/workshop programs were also arranged through USAID and National Renewable Energy Laboratory US addressing utility digitalization progress, conservation of distributed energy resources and the importance of cyber hygiene.

9.16 MEDIA ACTIVITIES
NEPRA keeps the media and all stakeholders including the general public informed about the important developments, decisions and enforced actions of paramount importance. NEPRA Media Department publishes press releases, newsletters, advertisements etc.

205 No. of advertisements were published in accordance with Press Information Department (PID) SOPs with subsequent uploading of the same advertisements on NEPRA website. 24 Press Releases were issued.
Wide electronic media coverage of major NEPRA events like SAARC Training for Professionals of Afghanistan on Pakistan’s Power Regulatory System, 2nd Chairman Cup Inter-departmental Cricket Tournament, different Consultative Sessions, Public Hearings, Training Sessions and NEPRA Energy Week 2020 etc. was ensured. 6th open competition amongst Islamabad-based advertising agencies was successfully conducted. NEPRA’s “LinkedIn” page (https://linkedin.com/company/65672773/admin/) was created to enhance public approachability.

9.17 ANTICIPATED DEVELOPMENT

- NEPRA anticipates to host Fifth Meeting of the SAARC Council of Experts of Energy Regulators (Electricity) in 2020-21 which was earlier postponed due to Covid-19. The Meeting of the SAARC Council of Experts of Energy Regulators provides a platform for its eight (08) member states to exchange views and take part in prospective collaboration.

- Automation of hiring process during 2020-21

- Digitization of personal files and their integration with ORACLE software for payroll accounting and personnel administration

- Implementation of Leave Management System

- Introduction of Job Rotation Program
Information Technology

NEPRA is deploying state of the art technology in order to keep up pace with global trends.

10.1 RESTRUCTURING OF IT DEPARTMENT
During FY 2019-20, the IT department was restructured to improve the efficiency and provide best IT support within the organization.

10.2 NEPRA E-HEARING/EVENTS - UTILIZATION OF ZOOM FOR ONLINE MEETINGS AND HEARINGS
To make NEPRA’s operations and functions effective and convenient during COVID-19 pandemic online meetings and hearings were held through Zoom. This also enabled easy public participation in the hearings. Seminars / Workshops and training programs cannot be held successfully without robust IT support. NEPRA IT Department played a very important role in successful conduct of Energy Week, SAARC Training Program, Workshop on Harassment etc.

10.3 INFRASTRUCTURE SECURITY-UTM
Unified Threat Management (UTM) device was installed to provide Firewall, Antivirus, Deep Packet Inspection, Web filter, Intruder Detection and Prevention services and replace old CISCO router ASR 1002. Visibility of network and internet usage as well as control of bandwidth was improved after utilizing this device.

10.4 VIRTUAL PRIVATE NETWORK (VPN) AND WORK FROM HOME SERVICES
To facilitate NEPRA employees during COVID-19 pandemic and while taking precautionary measures to prevent attack of virus on employees, Virtual Private Network connection was provided to employees to work from home. Thus, employees were able to connect with NEPRA’s network while at home.

10.5 SHAREPOINT ECM
In a move towards a paper-less environment and digital file management of paper files, SharePoint 2013 has been installed to be used as Enterprise Content Management Platform. Configurations, testing and training phases for initial SOPs have been completed. The ECM will be operational during July 2020.

10.6 DIGITIZATION
The Project of digitization of files and record has been started and first batch of files and records have been delivered for digitization. The digitized files will be made available in the SharePoint ECM intranet server. This will make availability of files on fingertips of the user and extraction of information from vast data warehouse will be easier.

10.7 PROVIDENT FUND DATA MIGRATION
Provident fund data was migrated from Peachtree application to Oracle E-Business Suite. Configurations of General Ledger, Accounts Payables, Accounts Receivables and Cash Management modules were done. The processes of importing the entries from Payroll Module into Provident Fund, was designed and implemented.

10.8 IMPROVEMENT OF ONLINE COMPLAINT MANAGEMENT SYSTEM
The online complaint management system was launched for the general public in 2018. Now the project of
Improvement of Complaint Management System has been delivered and final User Acceptance Testing is being carried out. The final system will be available soon.

10.9 **E-LICENSING**
An application was developed for receiving license applications online through NEPRA website. The user acceptance testing to launch the software for public use is in the final stage. This application will be available soon.

10.10 **IT INFRASTRUCTURE FOR REGIONAL OFFICES**
New Regional NEPRA offices were constituted in regions of Gujranwala, Multan, Hyderabad, Sukkur and Faisalabad. Work was started to build IT infrastructure like Security Cameras, LAN, Biometric system, WAN and internet connectivity in these offices.

10.11 **REVAMPING OF NEPRA WEBSITE**
NEPRA old website has been replaced with a new one by using dynamic designing approach, improved Search Engine Optimization (SEO) and responsive pages suitable for mobile devices. Number of people visiting NEPRA website increased during 2019-20.

10.12 **MIGRATION OF WEB & EMAIL FROM FOREIGN TO LOCAL HOSTING**
Website and Emails services hosted with M/ S Comsats Internet Service Provider was migrated from foreign hosting to local hosting (server based in Pakistan). All the mailboxes were migrated and configured in the user devices. The website migration completed without any interruption.
Website and Emails services hosted with M/ S Comsats Internet Service Provider was migrated from foreign hosting to local hosting (server based in Pakistan). All the mailboxes were migrated and configured in the user devices. The website migration completed without any interruption.

### Summary of User/Visitor of NEPRA Website during FY 2019-20

<table>
<thead>
<tr>
<th>Month</th>
<th>Number of Visits</th>
<th>Unique Visitors</th>
<th>Files Downloaded</th>
<th>Hits</th>
<th>Bandwidth GB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul-19</td>
<td>30,756</td>
<td>16,262</td>
<td>105,212</td>
<td>1,083,973</td>
<td>495</td>
</tr>
<tr>
<td>Aug-19</td>
<td>26,323</td>
<td>13,282</td>
<td>92,422</td>
<td>997,212</td>
<td>399</td>
</tr>
<tr>
<td>Sep-19</td>
<td>27,311</td>
<td>11,315</td>
<td>99,935</td>
<td>1,022,015</td>
<td>455</td>
</tr>
<tr>
<td>Oct-19</td>
<td>29,676</td>
<td>14,933</td>
<td>180,722</td>
<td>1,200,131</td>
<td>467</td>
</tr>
<tr>
<td>Nov-19</td>
<td>32,755</td>
<td>19,242</td>
<td>88,349</td>
<td>1,832,856</td>
<td>599</td>
</tr>
<tr>
<td>Dec-19</td>
<td>24,633</td>
<td>22,141</td>
<td>77,944</td>
<td>998,347</td>
<td>497</td>
</tr>
<tr>
<td>Jan-20</td>
<td>17,478</td>
<td>8,544</td>
<td>83,313</td>
<td>875,637</td>
<td>454</td>
</tr>
<tr>
<td>Feb-20</td>
<td>13,741</td>
<td>8,396</td>
<td>121,336</td>
<td>607,039</td>
<td>421</td>
</tr>
<tr>
<td>Mar-20</td>
<td>8,447</td>
<td>14,746</td>
<td>61,619</td>
<td>664,524</td>
<td>202.61</td>
</tr>
<tr>
<td>Apr-20</td>
<td>15,197</td>
<td>27,677</td>
<td>119,196</td>
<td>1,216,651</td>
<td>521.42</td>
</tr>
<tr>
<td>May-20</td>
<td>16,193</td>
<td>28,337</td>
<td>117,471</td>
<td>1,236,905</td>
<td>616.32</td>
</tr>
<tr>
<td>Jun-20</td>
<td>24,602</td>
<td>41,757</td>
<td>177,469</td>
<td>1,703,481</td>
<td>648.83</td>
</tr>
<tr>
<td>Total</td>
<td>267,112</td>
<td>226,632</td>
<td>1,324,988</td>
<td>13,438,771</td>
<td>5,776</td>
</tr>
</tbody>
</table>

Table indicates user/visitors summary who have visited NEPRA website during the financial year 2019-20. 267,112 people have visited website out of which 226,632 were unique visitors. They have downloaded 1.3 million files from our website. NEPRA website received total 13.4 million hits and used 5,776 GB bandwidth.

### 10.13 ANTICIPATED DEVELOPMENTS

- **e-filing from licensees Regulatory Accounts**  
  By using e-filing service of regulatory accounts, the licensees will be able to submit the Regulatory Accounts online. A number of in-house brain storming sessions were held to analyze data warehouse solutions for the said purpose.

- **Launch of e-License Application Submission**  
  The e-License Application will be launched for general public after the requirements provided by various departments including Licensing and Registrar are incorporated.

- **Launch of New and Improved Complaint Management System**  
  The new Complaint Management System for general public will be launched after finalization of requirements by Consumer Affairs Department.
INDEPENDENT AUDITORS’ REPORT TO THE AUTHORITY

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, 2020 and the related income & expenditure account, statement of other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in Basis for Qualified Opinion section, the accompanying financial statements present fairly, in all material respects the financial position of the Authority as at June 30, 2020 and its financial performance, its cash flows and its changes in funds for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for Qualified Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Pakistan and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

a) As explained in note 7.1, the provision has not been made against long outstanding fee receivables of Rs.138.47 million (2019: Rs.117.46 million). Had the full amount of provision been made against this balance, the outstanding balance of fee receivable at the year end would have decreased by Rs.138.47 million (2019: Rs.117.46 million) with corresponding decrease in profit with the same amount as well as amounts payable to / receivable from Federal Consolidation Fund be increased / reduced by Rs.98.31 million (2019: Rs.83.40 million) and increase / decrease in deferred tax asset / liability by Rs.40.16 million (2019: Rs.34.06 million).

b) As stated in note 19.1(i), no provision has been made in these financial statements for tax amounting to Rs.290 million relating to Tax Years 2002 to 2007. Had the tax provision of Rs.290 million been recognized in these financial statements, the balance of payable to / receivable from Federal Consolidation Fund would have been increased / decreased by Rs.290 million with a corresponding increase in provision for taxation.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan and for such internal controls 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 relating 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.

Those charged with governance are responsible for overseeing the Authority’s financial
reporting process.

**Auditors’ Responsibilities for 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
auditors’ 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 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 the users taken on the basis of these financial statements.

As part of an audit, in accordance with ISAs, 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 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, if any, and related disclosures made by the 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 auditors’ report related 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 up to the date of our auditors’ 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 transaction and
events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

Ilyas Saeed & Co.
Chartered Accountants

[Signature]

Chartered Accountants
Engagement Partner: IMRAN ILYAS
ISLAMABAD: 20/07/2020

A member of mgiworldwide
# NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

## STATEMENT OF FINANCIAL POSITION

**AS AT JUNE 30, 2020**

<table>
<thead>
<tr>
<th>NET ASSETS</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>546,178,981</td>
<td>578,506,234</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loan to employees</td>
<td>147,453,156</td>
<td>63,060,643</td>
</tr>
<tr>
<td><strong>Total Non-current Assets</strong></td>
<td>693,632,137</td>
<td>641,566,877</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current portion of loan to employees</td>
<td>51,240,884</td>
<td>42,040,428</td>
</tr>
<tr>
<td>Fee receivable</td>
<td>171,468,795</td>
<td>139,011,931</td>
</tr>
<tr>
<td>Advances, deposits, prepayments and other receivables</td>
<td>47,750,439</td>
<td>42,479,162</td>
</tr>
<tr>
<td>Tax refund due from government</td>
<td>481,148,440</td>
<td>519,394,336</td>
</tr>
<tr>
<td>Advance paid to Federal Consolidation Fund (FCF)</td>
<td>-</td>
<td>8,351,321</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td>2,867,890</td>
<td>-</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>532,915,645</td>
<td>408,340,323</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>1,287,392,102</td>
<td>1,159,617,501</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>1,980,024,239</td>
<td>1,791,184,378</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued and other liabilities</td>
<td>(559,224,655)</td>
<td>(465,359,484)</td>
</tr>
<tr>
<td>Provision for taxation</td>
<td>(124,014,649)</td>
<td>(154,541,642)</td>
</tr>
<tr>
<td>Payable to Federal Consolidation Fund (FCF)</td>
<td>(134,365,328)</td>
<td>-</td>
</tr>
<tr>
<td>Current portion of long term loans</td>
<td>(750,552)</td>
<td>(750,552)</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>(818,355,424)</td>
<td>(620,651,718)</td>
</tr>
<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long term loan</td>
<td>(24,769,751)</td>
<td>(25,520,343)</td>
</tr>
<tr>
<td>Deferred liabilities</td>
<td>(6,612,974)</td>
<td>(1,933,800)</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td>-</td>
<td>(21,792,427)</td>
</tr>
<tr>
<td><strong>Total Non-current Liabilities</strong></td>
<td>(31,382,725)</td>
<td>(49,246,570)</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>1,131,286,090</td>
<td>1,131,286,090</td>
</tr>
<tr>
<td><strong>REPRESENTED BY:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital contribution by Government of Pakistan</td>
<td>131,286,090</td>
<td>131,286,090</td>
</tr>
<tr>
<td>Building Reserve Fund</td>
<td>1,060,000,000</td>
<td>1,000,000,000</td>
</tr>
<tr>
<td><strong>CONTINGENCIES AND COMMITMENTS</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,111,286,090</td>
<td>1,111,286,090</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 31 form an integral part of these financial statements.

**Signature**

MEMBER

**Signature**

CHAIRMAN
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2020

<table>
<thead>
<tr>
<th>PARTICULARS</th>
<th>Note</th>
<th>2020 (Rupees)</th>
<th>2019 (Rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee income</td>
<td>20</td>
<td>1,405,026,860</td>
<td>1,263,973,310</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>21</td>
<td>(1,157,196,758)</td>
<td>(1,047,120,632)</td>
</tr>
<tr>
<td>Finance cost</td>
<td>22</td>
<td>(3,663,370)</td>
<td>(3,877,519)</td>
</tr>
<tr>
<td>Other income</td>
<td>23</td>
<td>115,468,668</td>
<td>69,796,283</td>
</tr>
<tr>
<td><strong>Surplus for the year before tax</strong></td>
<td></td>
<td>359,635,400</td>
<td>282,771,442</td>
</tr>
<tr>
<td>Taxation</td>
<td>24</td>
<td>(123,903,871)</td>
<td>(114,233,842)</td>
</tr>
<tr>
<td><strong>Surplus for the year after tax</strong></td>
<td></td>
<td>235,734,529</td>
<td>168,537,600</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 31 form an integral part of these financial statements.

[Signatures]

MEMBER

CHAIRMAN
### NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
### STATEMENT OF OTHER COMPREHENSIVE INCOME
### FOR THE YEAR ENDED JUNE 30, 2020

<table>
<thead>
<tr>
<th>PARTICULARS</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus for the year after tax</td>
<td>235,734,529</td>
<td>168,537,600</td>
</tr>
<tr>
<td>Other comprehensive income / (loss) for the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experience adjustment - Defined Benefit Obligation</td>
<td>(67,630,535)</td>
<td>(50,512,474)</td>
</tr>
<tr>
<td>Experience adjustment - Unfunded Gratuity Scheme</td>
<td></td>
<td>61,750</td>
</tr>
<tr>
<td>Tax effect of remeasurement (gain) / loss</td>
<td>19,612,855</td>
<td>(17,908)</td>
</tr>
<tr>
<td></td>
<td>(48,017,680)</td>
<td>(50,468,632)</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>187,716,849</td>
<td>118,068,965</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 31 form an integral part of these financial statements.

---

**MEMBER**

**CHAIRMAN**
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

PARTICULARS | 2020 (Rupees) | 2019 (Rupees)
--- | --- | ---
CASH FLOW FROM OPERATING ACTIVITIES | | 
Surplus for the year before tax | 359,635,400 | 282,771,442 |
Adjustments for: | | 
- Provision for gratuity and earned leaves | 101,541,778 | 85,771,545 |
- Depreciation | 65,644,324 | 79,934,281 |
- Finance cost | 3,663,370 | 3,877,519 |
- Mark up income | (114,051,503) | (69,796,283) |
- Gain on sale of fixed assets | (1,417,069) | - |
| 55,420,804 | 99,787,062 |
Working capital changes: | | 
(Increase) in loans to employees | (93,592,969) | (56,661,290) |
(Increase) in advances, deposits and other receivables | (37,728,141) | (26,246,266) |
(Increase) in tax refund due from government | 38,245,896 | (54,814,016) |
Increase in accrued and other liabilities | 47,381,489 | 64,253,210 |
| (45,693,725) | (73,458,882) |
Net cash generated from operations | 369,362,479 | 309,089,642 |
Payments made: | | 
Earned leaves and gratuity fund | (118,009,457) | (76,783,886) |
Interest on long term loan | (1,663,370) | (3,877,519) |
Income taxes | (159,475,355) | (72,128,502) |
| (281,148,162) | (112,789,907) |
Net cash generated from operating activities | 88,214,317 | 196,299,735 |
CASH FLOW FROM INVESTING ACTIVITIES | | 
Capital expenditure during the year | (35,557,841) | (20,317,039) |
Cash received against sale of fixed assets | 4,017,835 | - |
Investments made during the year | (952,126,500) | (785,459,250) |
Proceeds from encashment of investments | 953,126,500 | 735,459,250 |
Interest received during the year | 114,051,603 | 69,796,283 |
Net cash generated from investing activities | 82,111,597 | 49,475,244 |
CASH FLOW FROM FINANCING ACTIVITIES | | 
Repayment of loans | (750,592) | (750,592) |
Amount paid to Federal Consolidation Fund | (45,000,000) | (110,000,000) |
Net cash (used in) financing activities | (45,750,592) | (110,750,592) |
The net cash & cash equivalents during the year | 125,575,322 | 135,028,407 |
Cash and cash equivalents at beginning of the year | 408,340,323 | 273,311,916 |
Cash and cash equivalents at end of the year | 533,915,645 | 408,340,323 |

The annexed notes 1 to 31 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, 2020  

<table>
<thead>
<tr>
<th>PARTICULARS</th>
<th>Capital contribution by Government of Pakistan</th>
<th>Building Reserve Fund</th>
<th>Accumulated Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at July 01, 2018</td>
<td>131,286,090</td>
<td>1,000,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>-</td>
<td>-</td>
<td>118,068,968</td>
</tr>
<tr>
<td>Allocated to Federal Consolidation Fund</td>
<td>10</td>
<td>-</td>
<td>(118,068,968)</td>
</tr>
<tr>
<td>Balance as at June 30, 2019</td>
<td>131,286,090</td>
<td>1,000,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>-</td>
<td>-</td>
<td>187,716,849</td>
</tr>
<tr>
<td>Allocated to Federal Consolidation Fund</td>
<td>10</td>
<td>-</td>
<td>(187,716,849)</td>
</tr>
<tr>
<td>Balance as at June 30, 2020</td>
<td>131,286,090</td>
<td>1,000,000,000</td>
<td>-</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 31 form an integral part of these financial statements.

MEMBER

CHAIRMAN
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

1. NATURE AND STATUS OF OPERATIONS

National Electric Power Regulatory Authority (the Authority) was established as a body corporate under Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 for the regulation of power sector in the Country. The Authority operates through Head Office located in NEPRA Tower, Attaturk Avenue (East), Sector G-5/1, Islamabad and three regional offices across Pakistan.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as adopted by the Institute of Chartered Accountants of Pakistan. Although, the Authority is not required to comply with the requirements of IFRS, nevertheless, to follow the best practices, the Authority has adopted most of the approved accounting standards as applicable in Pakistan as framework for preparation of financial statements.

2.1 Basis of preparation

These financial statements have been prepared under historical cost convention except for certain financial instruments which are measured at fair value and employee retirement benefits including staff compensated absences which are measured at their present values as determined under the provisions of IAS-19, "Employee Benefits".

2.2 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Authority’s functional and presentation currency. Amounts presented in Pakistani Rupees have been rounded off to the nearest rupee, unless otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost comprises purchase price and other directly attributable costs. Capital work-in-progress is stated at cost less impairment, if any. Depreciation is charged on straight line method to write off the depreciable amount of each asset over its estimated useful life. Rates are specified in note 4 to the financial statements. Depreciation on additions is charged from the day on which the asset is put to use and on disposals up to the date of disposal. Normal repairs and maintenance are charged to income and expenditure account as and when incurred, whereas major improvements and modifications are capitalized. Gains and losses on disposal of property, plant and equipment are taken to the income and expenditure account.

The Authority reviews the useful lives and residual values of property plant and equipment on a regular basis.

3.2 **Intangible assets**

Intangible assets are stated at cost less accumulated amortization and impairment except for intangible assets under development which are stated at cost less impairment, if any. Amortization on intangible assets having finite useful life is calculated on straight-line basis at rates specified in note 5 to the financial statements.

3.3 **Loans and advances**

Loans and advances are classified as long term and/or short term based on the repayment terms and/or recoverability period. These are measured at cost less any provision for doubtful recoverables.

3.4 **Investments - Held to maturity investments**

The Authority classifies financial assets as held to maturity when it has positive intent and ability to hold the investments to maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest rate method less any impairment losses.

3.5 **Staff benefits**

(i) **Defined contribution plan - on retirement**

The Authority operates a contributory provident fund in which equal contributions are made by eligible employees and the Authority. The contributions are made at the rate of 5% or 10% (at the option of each employee) of basic salary plus utilities allowance. The Authority’s contribution is charged to income and expenditure account currently.

(ii) **Earned leaves**

The Authority has a policy to provide for encashable leaves to its eligible employees in accordance with respective entitlement on cessation of service or on request of employee(s) during the service period. Related expected cost has been included in the financial statements.

(iii) **Defined benefit plan - on retirement**

The Authority operates funded and unfunded gratuity schemes in respect of all eligible employees. Provision is made annually for funded and unfunded gratuity schemes to cover the Authority's obligations by way of charge to the income and expenditure account.

3.6 **Revenue recognition**

License fee is recognized on accrual basis. Interest income on investments/deposits is recognized on a time proportion basis. Income from generation and transmission companies is recognized when invoice is raised whereas, the income from distribution companies is recognized when units sold are confirmed by the distribution companies.
3.7 Foreign currency transactions

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. All monetary assets and liabilities denominated in foreign currencies at the year end are translated at exchange rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences are included in income and expenditure account.

3.8 Taxation

(i) Current

Provision for current taxation is based on taxable income at the current rate of tax, after taking into account the applicable tax credits, rebates and exemptions available, if any, and any adjustments to the tax payable in respect of previous years.

(ii) Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all taxable temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on the tax rates that have been enacted or substantially enacted by the date of issue of financial statements.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority.

3.9 Receivables

Receivables are initially recognized at fair value and subsequently stated at amortized cost. Known impaired receivables are written off while receivables considered doubtful of recovery are fully provided for.

3.10 Trade and other payables

Trade and other payables are initially recognized at fair value and subsequently stated at amortized cost.

3.11 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and bank balances and are stated at cost which approximates to their fair value.
3.12 Interest bearing borrowing

Interest bearing borrowings are recognized initially at cost being the fair value of consideration received less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowing are stated at original cost less subsequent repayments. Interest expense for the current year is included in income and expenditure account.

3.13 Provisions

A provision is recognized in the statement of financial position when the Authority has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the same can be made. Provisions are determined by discounting the expected future cash flows at a pre tax discount rate that reflects current market assessment of time value of money and risk specific to the liability. The unwinding of discount is recognized as finance cost.

3.14 Impairment

The carrying amounts of the Authority’s assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. An impairment loss is recognized for the amount by which the asset’s fair value less cost to sell and value in use. An impairment loss or reversal of impairment loss is recognized in the statement of comprehensive income.

3.15 Off-setting of financial assets and liabilities

A financial asset and a financial liability is set off and the net amount is reported in the financial statements if the Authority has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.16 Financial Instruments

Financial assets and financial liabilities are recognized when the Authority becomes a party to the contractual provisions of the instruments. These are initially measured at cost, which is the fair value of the consideration given or received. These financial assets and liabilities are subsequently measured at fair value and amortized cost as the case may be. The Authority derecognizes financial assets and liabilities when it ceases to be a party to such contractual provisions of the instruments.
### 4. Property, Plant & Equipment

<table>
<thead>
<tr>
<th>PARTICULARS</th>
<th>COST</th>
<th>DEPRECIATION</th>
<th>W.D.V.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AS AT JUNE 30, 2019</td>
<td>FOR THE YEAR</td>
<td>AS AT JUNE 30, 2020</td>
</tr>
<tr>
<td></td>
<td>ADJUSTMENTS</td>
<td>(DELETION)</td>
<td>RATE</td>
</tr>
<tr>
<td>Leasehold Land</td>
<td>16,925,500</td>
<td>-</td>
<td>1%</td>
</tr>
<tr>
<td>Office Building</td>
<td>314,675,424</td>
<td>-</td>
<td>3%</td>
</tr>
<tr>
<td>Machinery &amp; Equipment</td>
<td>254,674,816</td>
<td>-</td>
<td>15%</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>15,958,239</td>
<td>-</td>
<td>20%</td>
</tr>
<tr>
<td>Computer &amp; Accessories</td>
<td>42,889,272</td>
<td>-</td>
<td>5%</td>
</tr>
<tr>
<td>Furniture &amp; Fixtures</td>
<td>9,539,488</td>
<td>-</td>
<td>10%</td>
</tr>
<tr>
<td>Vehicles</td>
<td>116,420,101</td>
<td>-</td>
<td>5%</td>
</tr>
<tr>
<td>Others</td>
<td>3,467,850</td>
<td>-</td>
<td>5%</td>
</tr>
<tr>
<td><strong>TOTAL 2020 (Rs.)</strong></td>
<td><strong>1,290,749,419</strong></td>
<td><strong>65,684,328</strong></td>
<td><strong>1,356,433,747</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PARTICULARS</th>
<th>COST</th>
<th>DEPRECIATION</th>
<th>W.D.V.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AS AT JUNE 30, 2018</td>
<td>FOR THE YEAR</td>
<td>AS AT JUNE 30, 2019</td>
</tr>
<tr>
<td></td>
<td>ADJUSTMENTS</td>
<td>(DILUTION)</td>
<td>RATE</td>
</tr>
<tr>
<td>Leasehold Land</td>
<td>16,925,500</td>
<td>-</td>
<td>1%</td>
</tr>
<tr>
<td>Office Building</td>
<td>314,675,424</td>
<td>-</td>
<td>3%</td>
</tr>
<tr>
<td>Machinery &amp; Equipment</td>
<td>254,674,816</td>
<td>-</td>
<td>15%</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>15,958,239</td>
<td>-</td>
<td>20%</td>
</tr>
<tr>
<td>Computer &amp; Accessories</td>
<td>42,889,272</td>
<td>-</td>
<td>5%</td>
</tr>
<tr>
<td>Furniture &amp; Fixtures</td>
<td>9,539,488</td>
<td>-</td>
<td>10%</td>
</tr>
<tr>
<td>Vehicles</td>
<td>116,420,101</td>
<td>-</td>
<td>5%</td>
</tr>
<tr>
<td>Others</td>
<td>3,467,850</td>
<td>-</td>
<td>5%</td>
</tr>
<tr>
<td><strong>TOTAL 2019 (Rs.)</strong></td>
<td><strong>1,290,749,419</strong></td>
<td><strong>65,684,328</strong></td>
<td><strong>1,356,433,747</strong></td>
</tr>
</tbody>
</table>

4. In respect of building, different rates are being used for different components / elements of building, such as furnishing, consultancy fee and etc.
### 5 INTANGIBLE ASSETS - Computer Software

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>21,629,859</td>
<td>21,629,859</td>
</tr>
<tr>
<td>Accumulated Amortization</td>
<td>(21,629,859)</td>
<td>(21,629,859)</td>
</tr>
<tr>
<td>Closing Balance</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amortization rate</td>
<td>33%</td>
<td>33%</td>
</tr>
</tbody>
</table>

### 6 LOAN TO EMPLOYEES

Opening balance: 105,101,071
Loans given during the year: 6,1 179,968,304
Loans recovered during the year: (86,375,335)
Current portion of loan to employees: (51,240,889)
Current portion of loan to employees: 147,458,156

6.1 These represent salary advance and loans given to employees for purchase of vehicles (i.e. car or motorbike). These are interest free and are given for a period of more than one year.

### 7 FEE RECEIVABLE

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee receivable - considered good</td>
<td>171,468,795</td>
<td>139,011,931</td>
</tr>
<tr>
<td>Total</td>
<td>171,468,795</td>
<td>139,011,931</td>
</tr>
</tbody>
</table>

7.1 This includes Rs. 136.47 million (2019: Rs. 117.46 million) which is outstanding for a significant period of time. The management is confident of the recovery of these amounts and accordingly, no provision has been made against these receivables.

### 8 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advances to staff</td>
<td>5,480,188</td>
<td>5,358,848</td>
</tr>
<tr>
<td>Advances to suppliers</td>
<td>11,826,793</td>
<td>11,826,793</td>
</tr>
<tr>
<td>Security deposits</td>
<td>2,138,388</td>
<td>2,088,888</td>
</tr>
<tr>
<td>Prepaid rent</td>
<td>5,536,560</td>
<td>9,249,921</td>
</tr>
<tr>
<td>Prepaid insurance</td>
<td>2,654,351</td>
<td>2,654,351</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>15,650,347</td>
<td>9,766,812</td>
</tr>
<tr>
<td>Advances against medical bills</td>
<td>1,271,551</td>
<td>341,788</td>
</tr>
<tr>
<td>Advance to provident fund</td>
<td>107,761</td>
<td>107,761</td>
</tr>
<tr>
<td>Other receivables</td>
<td>1,064,500</td>
<td>1,064,500</td>
</tr>
<tr>
<td>Total</td>
<td>47,750,439</td>
<td>42,479,162</td>
</tr>
</tbody>
</table>

8.1 All of the above are unsecured but are considered good.

### 9 TAX REFUND DUE FROM GOVERNMENT

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>519,394,336</td>
<td>454,580,320</td>
</tr>
<tr>
<td>Advance tax deducted during the year</td>
<td>121,223,599</td>
<td>79,356,733</td>
</tr>
</tbody>
</table>

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Note: Rupees 2019-20

83
### NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

<table>
<thead>
<tr>
<th>Note</th>
<th>2020 (Rupees)</th>
<th>2019 (Rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax adjusted against liability of previous years</td>
<td>(159,475,495)</td>
<td>(24,542,717)</td>
</tr>
<tr>
<td></td>
<td>481,148,440</td>
<td>515,394,330</td>
</tr>
</tbody>
</table>

6.1 The amount stated as tax refund due from government includes an amount of Rs. 290 million paid in advance in respect of the pending tax cases as more fully explained under contingencies & commitments.

### 10 ADVANCE / (PAYABLE) TO FEDERAL CONSOLIDATION FUND

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance - advance / (payable)</td>
<td>8,351,321</td>
<td>16,420,789</td>
</tr>
<tr>
<td>Add: Total comprehensive income for the year</td>
<td>187,716,849</td>
<td>118,068,968</td>
</tr>
<tr>
<td>Loss: Transferred during the year</td>
<td>(45,000,000)</td>
<td>(110,000,000)</td>
</tr>
<tr>
<td>Total</td>
<td>(134,365,528)</td>
<td>8,351,321</td>
</tr>
</tbody>
</table>

10.1 According to NEPRA ACT, 1997 (Act No. XL of 1997), any surplus, after payment of taxes, shall be remitted to Federal Consolidation Fund.

### 11 Deferred tax (asset) / liability

<table>
<thead>
<tr>
<th>Description</th>
<th>2020 (Rupees)</th>
<th>2019 (Rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening deferred tax liability</td>
<td>21,792,427</td>
<td>34,310,847</td>
</tr>
<tr>
<td>Charged to income &amp; expenditure account</td>
<td>(5,047,471)</td>
<td>(12,555,948)</td>
</tr>
<tr>
<td>Credit recognised in other comprehensive income</td>
<td>(19,612,855)</td>
<td>17,909</td>
</tr>
<tr>
<td>Closing deferred tax (asset) / liability</td>
<td>(2,867,899)</td>
<td>21,792,427</td>
</tr>
</tbody>
</table>

### 12 CASH AND BANK BALANCES

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in hand</td>
<td>533,047</td>
<td>555,222</td>
</tr>
<tr>
<td>Cash at bank:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current accounts - Local currency</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Current accounts - Foreign currency</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Saving accounts</td>
<td>12.1</td>
<td>532,382,598</td>
</tr>
<tr>
<td></td>
<td>532,382,598</td>
<td>407,805,101</td>
</tr>
<tr>
<td></td>
<td>532,915,645</td>
<td>408,340,212</td>
</tr>
</tbody>
</table>

12.1 These carry markup ranging from 3.21% to 6.28% (2019: 3.75% to 4.5%) per annum.

### 15 ACCRUED AND OTHER LIABILITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2020 (Rupees)</th>
<th>2019 (Rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued expenses</td>
<td>295,040,370</td>
<td>246,950,617</td>
</tr>
<tr>
<td>Payable to funded gratuity fund</td>
<td>13.1</td>
<td>113,867,043</td>
</tr>
<tr>
<td>Provision for earned leaves</td>
<td>13.3</td>
<td>115,908,493</td>
</tr>
<tr>
<td>Accrued interest and other charges</td>
<td>-</td>
<td>1,024,659</td>
</tr>
<tr>
<td>Payable to provident fund</td>
<td>-</td>
<td>167,761</td>
</tr>
<tr>
<td>Withholding tax payable</td>
<td>-</td>
<td>244,311</td>
</tr>
<tr>
<td>Retention money</td>
<td>-</td>
<td>12,278,747</td>
</tr>
<tr>
<td>Other payables</td>
<td>33,335,761</td>
<td>21,813,465</td>
</tr>
<tr>
<td>Total</td>
<td>559,224,655</td>
<td>465,359,464</td>
</tr>
</tbody>
</table>
## 13.1 Payable to funded gratuity fund
Management has not conducted any Actuarial Valuation after June 30, 2018. Provision has been made under the best judgment of the management.

### 13.2 Changes in net liability

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>85,063,807</td>
<td>45,558,915</td>
</tr>
<tr>
<td>Charge during the year</td>
<td>46,238,508</td>
<td>34,561,337</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>67,639,535</td>
<td>50,512,474</td>
</tr>
<tr>
<td>Payments made during the year</td>
<td>(85,063,807)</td>
<td>(45,558,915)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>113,867,043</td>
<td>85,063,807</td>
</tr>
</tbody>
</table>

#### 13.2.1 Reconciliation of amounts recognized as liability

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present value of defined obligations</td>
<td>594,923,516</td>
<td>393,135,972</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>(481,495,472)</td>
<td>(306,072,164)</td>
</tr>
<tr>
<td></td>
<td>113,867,044</td>
<td>85,063,808</td>
</tr>
</tbody>
</table>

#### 13.2.2 Movement in present value of defined obligation

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present value of defined obligations at start of the year</td>
<td>393,135,972</td>
<td>286,104,279</td>
</tr>
<tr>
<td>Current service cost</td>
<td>37,738,127</td>
<td>30,451,081</td>
</tr>
<tr>
<td>Interest cost</td>
<td>39,313,597</td>
<td>25,749,384</td>
</tr>
<tr>
<td>Benefit paid</td>
<td>(5,135,272)</td>
<td>(1,632,642)</td>
</tr>
<tr>
<td>Experience adjustment</td>
<td>129,879,092</td>
<td>51,483,929</td>
</tr>
<tr>
<td>Obligation at the end of the year</td>
<td>594,923,516</td>
<td>393,135,972</td>
</tr>
</tbody>
</table>

#### 13.2.3 Movement in fair value of plan assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value of plan assets at start of the year</td>
<td>306,072,164</td>
<td>240,545,354</td>
</tr>
<tr>
<td>Contribution during the year</td>
<td>85,063,807</td>
<td>45,558,915</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>30,807,215</td>
<td>21,649,082</td>
</tr>
<tr>
<td>Benefit said</td>
<td>(5,135,272)</td>
<td>(1,632,642)</td>
</tr>
<tr>
<td>Experience adjustment</td>
<td>62,248,557</td>
<td>1,951,455</td>
</tr>
<tr>
<td></td>
<td>481,495,472</td>
<td>306,072,164</td>
</tr>
</tbody>
</table>

#### 13.2.4 Charge during the year

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transitional liability recognized during the year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current service cost</td>
<td>37,738,127</td>
<td>30,451,081</td>
</tr>
<tr>
<td>Interest cost</td>
<td>39,313,597</td>
<td>25,749,384</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>(30,807,216)</td>
<td>(21,649,082)</td>
</tr>
<tr>
<td></td>
<td>46,236,508</td>
<td>84,551,333</td>
</tr>
</tbody>
</table>

#### 13.3 Changes in net liability - earned leaves

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>97,628,047</td>
<td>75,883,642</td>
</tr>
<tr>
<td>Charge during the year</td>
<td>50,628,096</td>
<td>45,718,305</td>
</tr>
</tbody>
</table>
# National Electric Power Regulatory Authority

## Notes to the Financial Statements

### For the Year Ended June 30, 2020

<table>
<thead>
<tr>
<th>Note</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rupees</td>
<td>Rupees</td>
</tr>
<tr>
<td>Payments made during the year</td>
<td>(32,845,650)</td>
<td>(27,713,900)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>115,508,493</td>
<td>97,818,017</td>
</tr>
</tbody>
</table>

### Provision for Taxation

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>154,541,642</td>
<td>59,900,314</td>
</tr>
<tr>
<td>Charge during the year</td>
<td>128,248,342</td>
<td>126,789,830</td>
</tr>
<tr>
<td>Adjustment / payment during the year</td>
<td>(258,475,335)</td>
<td>(32,228,592)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>124,034,649</td>
<td>154,541,642</td>
</tr>
</tbody>
</table>

### Long Term Loan

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan from GoP through IDA</td>
<td>25,520,343</td>
<td>26,270,935</td>
</tr>
<tr>
<td>Current portion of long term loan</td>
<td>(750,592)</td>
<td>(750,592)</td>
</tr>
<tr>
<td>Non-current portion of long term loan</td>
<td>24,769,751</td>
<td>25,520,343</td>
</tr>
</tbody>
</table>

#### 15.1

The Authority entered into a subsidiary Loan Agreement ("Agreement") with Government of Pakistan (GoP) in respect of loan from International Development Association (IDA). Under the Agreement, the Authority got a loan of US$ 1 million (equivalent to PKR. 58 million) from GoP for capacity building project focused on both the employees and the institutional development.

#### 15.2

As per Agreement, loan from GoP is repayable from September 15, 2014 to March 15, 2039 semi-annually in PKRs. The loan carries interest at 14% per annum.

### Deferred Liabilities

#### 16.1

<table>
<thead>
<tr>
<th>Provision for gratuity - unfunded</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6,612,974</td>
<td>1,933,800</td>
</tr>
</tbody>
</table>

#### 16.1 Changes in net liability - gratuity unfunded

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>1,933,800</td>
<td>3,944,694</td>
</tr>
<tr>
<td>Charge during the year</td>
<td>4,679,174</td>
<td>1,501,907</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>(61,750)</td>
</tr>
<tr>
<td>Payments during the year</td>
<td>-</td>
<td>[3,451,031]</td>
</tr>
<tr>
<td>Closing balance</td>
<td>6,612,974</td>
<td>1,933,800</td>
</tr>
</tbody>
</table>

### Capital Contribution by Government of Pakistan

This represents grant received from Federal Government on non-repayment basis for establishment of the Authority.

### Building Reserve Fund

This represents unfunded reserve created in prior years pursuant to the approval of the Authority for the purpose of the NEPRA building.
19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

(i) The tax authorities issued notices to the Authority for filing of return of total income for the Tax Years 2003 to 2007. The management of the Authority communicated its legal stance through correspondence with the tax authorities. However, to comply with the requirements of statutory notices, returns for the aforesaid Tax Years were filed claiming the net income of the Authority being exempt from tax. However, the tax authorities amended the assessments of all the aforesaid Tax Years by rejecting the stance taken by the Authority and raised a net tax demand of Rs. 290 million. The Commissioner Inland Revenue (Appeals) also upheld these amendments. The appeals filed with Appellate Tribunal Inland Revenue against the orders of Commissioner Inland Revenue (Appeals) were also rejected by the Appellate Tribunal Inland Revenue by placing reliance on the judgment of the High Court in the matter of Pakistan Telecommunication Authority. Whereas amendment for the Tax Year 2003 were annulled by the Appellate Tribunal Inland Revenue on legal grounds. The Authority has filed references before the High Court which are pending adjudication. Due to the pendency of these cases, the Authority has accounted for the amount of Rs. 290 million paid as tax as advance. However, no provision for the same has been made in these financial statements.

(ii) There are no other contingencies as at June 30, 2020 (2019: Nil). However, the Authority has been made party in various legal cases and the Authority believes that the outcome of these cases would not result in any financial exposure to the Authority.

19.2 Commitments

There is no material commitments as at June 30, 2020 (2019: Nil).

20 FEE INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>License fee</td>
<td>1,367,560,504</td>
<td>1,239,219,705</td>
</tr>
<tr>
<td>Application and modification fee</td>
<td>22,031,966</td>
<td>29,092,872</td>
</tr>
<tr>
<td>Tariff petition and others</td>
<td>58,888,829</td>
<td>34,752,691</td>
</tr>
<tr>
<td>Gross fee income</td>
<td>1,448,481,299</td>
<td>1,303,065,268</td>
</tr>
<tr>
<td>Less: Fee and levies</td>
<td>(43,454,439)</td>
<td>(39,091,988)</td>
</tr>
<tr>
<td>Net fee income</td>
<td>1,405,026,860</td>
<td>1,263,973,310</td>
</tr>
</tbody>
</table>

20.1 This represents an amount payable to Competitive Commission of Pakistan under the CCP Act whereby five Authorities are required to pay an amount equal to 3% of its revenue to CCP every year.
# Annual Report 2019-20

## National Electric Power Regulatory Authority

### NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2020**

### 21 ADMINISTRATIVE EXPENSES

<table>
<thead>
<tr>
<th>Item</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, benefits and allowances</td>
<td>930,520,461</td>
<td>828,209,441</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>19,179,034</td>
<td>15,263,783</td>
</tr>
<tr>
<td>Travelling expenses</td>
<td>22,807,050</td>
<td>26,002,070</td>
</tr>
<tr>
<td>Communication</td>
<td>8,553,207</td>
<td>7,860,149</td>
</tr>
<tr>
<td>Utilities</td>
<td>16,266,357</td>
<td>15,887,723</td>
</tr>
<tr>
<td>Rent expense</td>
<td>14,450,976</td>
<td>2,028,815</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>9,779,693</td>
<td>8,239,653</td>
</tr>
<tr>
<td>Training and development</td>
<td>8,960,038</td>
<td>8,347,803</td>
</tr>
<tr>
<td>Promotions and ceremonies</td>
<td>833,646</td>
<td>230,842</td>
</tr>
<tr>
<td>Advertisement</td>
<td>20,266,441</td>
<td>7,374,997</td>
</tr>
<tr>
<td>Insurance expense</td>
<td>5,820,576</td>
<td>3,115,632</td>
</tr>
<tr>
<td>Legal and professional</td>
<td>15,024,030</td>
<td>32,890,579</td>
</tr>
<tr>
<td>Audit fee</td>
<td>208,800</td>
<td>150,600</td>
</tr>
<tr>
<td>Vehicle running cost</td>
<td>8,291,505</td>
<td>7,577,161</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>65,684,324</td>
<td>79,334,281</td>
</tr>
<tr>
<td>Staff Uniform</td>
<td>863,444</td>
<td>991,169</td>
</tr>
<tr>
<td>Entertainment expenses</td>
<td>9,667,174</td>
<td>2,468,529</td>
</tr>
<tr>
<td><strong>Total Administrative Expenses</strong></td>
<td><strong>1,157,196,758</strong></td>
<td><strong>1,047,120,632</strong></td>
</tr>
</tbody>
</table>

### 22 FINANCE COST

<table>
<thead>
<tr>
<th>Item</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank charges</td>
<td>37,983</td>
<td>151,282</td>
</tr>
<tr>
<td>Markup on long term loan</td>
<td>3,625,387</td>
<td>3,726,227</td>
</tr>
<tr>
<td></td>
<td><strong>3,663,370</strong></td>
<td><strong>3,877,519</strong></td>
</tr>
</tbody>
</table>

### 23 OTHER INCOME

<table>
<thead>
<tr>
<th>Item</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Markup on investments</td>
<td>46,871,500</td>
<td>14,640,750</td>
</tr>
<tr>
<td>Markup on bank accounts</td>
<td>67,180,103</td>
<td>55,255,533</td>
</tr>
<tr>
<td>Gain on sale of fixed assets</td>
<td>1,417,065</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>115,468,668</strong></td>
<td><strong>69,996,283</strong></td>
</tr>
</tbody>
</table>

### 24 TAXATION

<table>
<thead>
<tr>
<th>Item</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current tax</td>
<td>124,014,649</td>
<td>101,198,592</td>
</tr>
<tr>
<td>- for the year</td>
<td>4,533,653</td>
<td>25,371,238</td>
</tr>
<tr>
<td>- prior years</td>
<td>128,948,342</td>
<td>126,769,830</td>
</tr>
<tr>
<td>Deferred tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- for the year</td>
<td>(5,047,471)</td>
<td>(5,139,204)</td>
</tr>
<tr>
<td>- due to change in tax rate</td>
<td></td>
<td>(1,143,684)</td>
</tr>
<tr>
<td></td>
<td><strong>(5,047,471)</strong></td>
<td><strong>(12,283,888)</strong></td>
</tr>
<tr>
<td></td>
<td><strong>123,900,871</strong></td>
<td><strong>124,733,842</strong></td>
</tr>
</tbody>
</table>
24.1 Relationship between accounting profit and tax expense

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting profit before tax</td>
<td>359,635,400</td>
<td>282,771,442</td>
</tr>
<tr>
<td>Tax rate</td>
<td>29%</td>
<td>29%</td>
</tr>
<tr>
<td>Tax on accounting profit</td>
<td>104,294,286</td>
<td>82,003,718</td>
</tr>
<tr>
<td>Tax effect of amount not admissible for tax purposes</td>
<td>44,293,006</td>
<td>36,034,303</td>
</tr>
<tr>
<td>Tax effect of depreciation &amp; other admissible for tax</td>
<td>(25,650,629)</td>
<td>(25,769,693)</td>
</tr>
<tr>
<td>Tax effect of other items fall under final tax regime</td>
<td>1,078,006</td>
<td>6,929,764</td>
</tr>
<tr>
<td>Prior years</td>
<td>4,933,683</td>
<td>25,571,238</td>
</tr>
<tr>
<td>Temporary difference</td>
<td>(5,047,471)</td>
<td>(11,392,304)</td>
</tr>
<tr>
<td>Rate change</td>
<td>-</td>
<td>(1,143,684)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>123,900,871</td>
<td>110,233,842</td>
</tr>
</tbody>
</table>

25 FINANCIAL INSTRUMENTS

The Authority has exposure to the following risks from its use of financial instruments:

* Credit risk;
* Liquidity risk; and
* Market risk.

The Authority members have overall responsibility for the establishment and oversight of the Authority’s risk management framework.

The Authority’s risk management policies are established to identify and analyze the risks faced by it, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Authority’s activities. The Authority, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Members oversee how management monitors compliance with the Authority’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Authority.

25.1 Credit risk

Credit risk is the risk of financial loss to the Authority if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Authority’s receivables from financial institutions.

The Authority’s exposure to credit risk is influenced mainly by the individual characteristics of each counterparty, including the default risk of the industry and country in which the counterparty works. The Authority regularly monitors the status of receivables. Cash at bank is placed with financial institutions with high credit ratings. The Authority assesses the credit quality of the counter parties as satisfactory.
The Authority establishes an allowance for impairment that represents its estimate of incurred losses in respect of receivables. The maximum exposure to credit risk at the reporting date is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2020 (Rupees)</th>
<th>2019 (Rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans to employees</td>
<td>198,594,404</td>
<td>105,101,071</td>
</tr>
<tr>
<td>Deposits and other receivables</td>
<td>3,222,888</td>
<td>3,172,888</td>
</tr>
<tr>
<td>Fee receivable</td>
<td>171,468,795</td>
<td>139,011,931</td>
</tr>
<tr>
<td>Bank balances</td>
<td>592,382,588</td>
<td>407,805,101</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>305,768,321</td>
<td>655,090,991</td>
</tr>
</tbody>
</table>

25.2 Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Authority’s reputation.

The Authority ensures that it has sufficient cash on demand to meet expected cash outflows during its operating cycle. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Authority monitors rolling forecasts of cash and cash equivalents on the basis of budgets.

The table below analyses the Authority’s financial liabilities into relevant maturity groupings based on the remaining period at the year end date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

<table>
<thead>
<tr>
<th></th>
<th>2020 (Rupees)</th>
<th>2019 (Rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long term loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying Amount</td>
<td>558,178,196</td>
<td>464,286,755</td>
</tr>
<tr>
<td>Contractual cash flows</td>
<td>634,000,099</td>
<td>558,178,196</td>
</tr>
<tr>
<td>With in 1 year</td>
<td>235,450</td>
<td>2,957,557</td>
</tr>
<tr>
<td>1 to 5 year</td>
<td>18,983,940</td>
<td>21,124,808</td>
</tr>
<tr>
<td>Over 5 years</td>
<td>42,288,709</td>
<td>42,288,291</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>584,744,988</td>
<td>491,630,429</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long term loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying Amount</td>
<td>464,286,755</td>
<td>530,652,411</td>
</tr>
<tr>
<td>Contractual cash flows</td>
<td>467,244,312</td>
<td>467,244,312</td>
</tr>
<tr>
<td>With in 1 year</td>
<td>21,124,808</td>
<td>21,124,808</td>
</tr>
<tr>
<td>1 to 5 year</td>
<td>42,288,291</td>
<td>42,288,291</td>
</tr>
<tr>
<td>Over 5 years</td>
<td>42,288,291</td>
<td>42,288,291</td>
</tr>
</tbody>
</table>

25.3 Market risk

Market risk is the risk of changes in market prices such as foreign exchange rates and interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

a) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. At the reporting date, the interest rate profile is as follows:
Fixed rate instruments

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank</td>
<td>532,382,598</td>
<td>407,805,101</td>
</tr>
<tr>
<td>Long term loan</td>
<td>(25,620,343)</td>
<td>(26,210,935)</td>
</tr>
<tr>
<td></td>
<td>506,862,255</td>
<td>381,594,166</td>
</tr>
</tbody>
</table>

The Authority does not account for any fixed rate financial assets and liabilities at fair value through income and expenditure. Therefore, a change in interest rate at the reporting date would not affect income and expenditure.

b) Currency risk

The Authority is not significantly exposed to currency risk.

25.4 Fund management

The Authority’s fund management is primarily devised under Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 which requires the Authority to remit any surplus of receipts over expenditure in a year to Federal Consolidation Fund. The members of the Authority monitor the movements in the Federal Consolidation Fund.

25.5 Fair value of financial instruments

The carrying value of financial assets and liabilities reflected in the financial statements approximate their fair values.

25.6 Determination of fair values

A number of the Authority’s accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on following methods:

Non-derivative financial assets
The fair value of non-derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

Non-derivative financial liabilities
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

26 TRANSACTIONS WITH RELATED PARTIES

The Authority is a statutory body and is a public sector entity. It is a regulatory body of power sector entities and is getting license fee from other government owned power sector entities. Apart from that, it has obtained loan from Government of Pakistan. Except for being a regulatory body, there are no transactions with these related parties.
Apart from the aforesaid, the staff retirement funds also fall in the category of related parties and the transactions with such staff retirement funds are as follows:

**Other related party transactions**

<table>
<thead>
<tr>
<th>Transaction</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution made to Gratuity fund</td>
<td>85,063,807</td>
<td>45,558,915</td>
</tr>
<tr>
<td>Contribution made to Provident fund</td>
<td>26,827,317</td>
<td>26,827,317</td>
</tr>
</tbody>
</table>

**Balances outstanding at the year end**

<table>
<thead>
<tr>
<th>Transaction</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to Gratuity fund</td>
<td>113,867,043</td>
<td>85,063,807</td>
</tr>
<tr>
<td>Due to / (due from) Provident fund</td>
<td>(107,761)</td>
<td>(107,761)</td>
</tr>
</tbody>
</table>

27 **RENUMERATION OF CHAIRMAN AND MEMBERS**

The aggregate amounts charged in the financial statements in respect of remuneration including benefits applicable to the chairman and the members are given below:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Managerial remuneration</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chairman</td>
<td>5,793,662</td>
<td>1,505,457</td>
</tr>
<tr>
<td>Members</td>
<td>23,205,600</td>
<td>12,017,627</td>
</tr>
<tr>
<td>Accommodation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other allowances</strong></td>
<td>4,178,587</td>
<td>1,693,500</td>
</tr>
<tr>
<td></td>
<td>16,315,620</td>
<td>1,190,608</td>
</tr>
<tr>
<td></td>
<td>9,972,269</td>
<td>14,301,935</td>
</tr>
<tr>
<td></td>
<td>39,521,220</td>
<td></td>
</tr>
</tbody>
</table>

Number of Person(s): 1 4 1 4

28 **NUMBER OF EMPLOYEES**

Number of employees: 350 316
Average number of employees during the year: 346 315

29 **RE-ARRANGEMENTS AND RE-CLASSIFICATION**

The comparative figures have been re-arranged and / or re-classified, wherever necessary, for the purpose of better comparison in the financial statements. However, such re-arrangements and / or re-classifications, wherever done, do not have any impact on the previously reported figures.

30 **DATE OF AUTHORIZATION**

The financial statements were approved by the Authority in its meeting held on 2020.

31 **GENERAL**

Figures have been rounded off to the nearest rupee.

Member

Chairman
Annex- II

Senior Management
Key Contacts
### Senior Management Key Contacts

<table>
<thead>
<tr>
<th>Name &amp; Designation</th>
<th>Department</th>
<th>Telephone No.</th>
<th>E-mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tauseef H. Farooqi Chairman</td>
<td>Chairman</td>
<td>051-9220902</td>
<td><a href="mailto:chairman@nepra.org.pk">chairman@nepra.org.pk</a></td>
</tr>
<tr>
<td>Saif Ullah Chattha VC/Member</td>
<td>Tariff</td>
<td>051-9207300</td>
<td><a href="mailto:suchattha@hotmail.com">suchattha@hotmail.com</a></td>
</tr>
<tr>
<td>Rehmatullah Baloch Member</td>
<td>CAD</td>
<td>051-9206887</td>
<td><a href="mailto:rehmat1959@gmail.com">rehmat1959@gmail.com</a></td>
</tr>
<tr>
<td>Bahadur Shah Member</td>
<td>M &amp; E</td>
<td>051-9210209</td>
<td><a href="mailto:bshah786@hotmail.com">bshah786@hotmail.com</a></td>
</tr>
<tr>
<td>Rafique Ahmed Shaikh Member</td>
<td>Licensing</td>
<td>051-9206797</td>
<td><a href="mailto:rafique.ahmed@nepra.org.pk">rafique.ahmed@nepra.org.pk</a></td>
</tr>
<tr>
<td>Sajjad M. Qureshi Sr. Advisor</td>
<td>Tariff</td>
<td>051-9207754</td>
<td><a href="mailto:sajjad@nepra.org.pk">sajjad@nepra.org.pk</a></td>
</tr>
<tr>
<td>Hussnain Zaigham Sr. Advisor</td>
<td>Technical</td>
<td>051-9217697</td>
<td><a href="mailto:zaigham@nepra.org.pk">zaigham@nepra.org.pk</a></td>
</tr>
<tr>
<td>Anwar Malik Director General</td>
<td>Admin / HR</td>
<td>051-9205224</td>
<td><a href="mailto:anwar.malik@nepra.org.pk">anwar.malik@nepra.org.pk</a></td>
</tr>
<tr>
<td>Nadir Ali Khoso Director General</td>
<td>M&amp;E/ Standards</td>
<td>051-2600039</td>
<td><a href="mailto:nadir@nepra.org.pk">nadir@nepra.org.pk</a></td>
</tr>
<tr>
<td>Syed Safeer Hussain Registrar</td>
<td>Registrar</td>
<td>051-9206500</td>
<td><a href="mailto:registrar@nepra.org.pk">registrar@nepra.org.pk</a></td>
</tr>
<tr>
<td>Nawesome Illahi Shaikh Addl. Director General</td>
<td>CAD</td>
<td>051-9217673</td>
<td><a href="mailto:nawesomeishaikh@nepra.org.pk">nawesomeishaikh@nepra.org.pk</a></td>
</tr>
<tr>
<td>Imtiaz Hussain Baloch Addl. Director General</td>
<td>Licensing</td>
<td>051-9206527</td>
<td><a href="mailto:ihussain@nepra.org.pk">ihussain@nepra.org.pk</a></td>
</tr>
<tr>
<td>Qamar uz Zaman Addl. Director General</td>
<td>Finance</td>
<td>051-9206798</td>
<td><a href="mailto:qzaman@nepra.org.pk">qzaman@nepra.org.pk</a></td>
</tr>
<tr>
<td>Muhammad Shafiq Sr. Legal Advisor</td>
<td>Legal</td>
<td>051-2600035</td>
<td><a href="mailto:m.shafique@nepra.org.pk">m.shafique@nepra.org.pk</a></td>
</tr>
</tbody>
</table>
### Addresses of NEPRA Consumer Affairs Offices

<table>
<thead>
<tr>
<th>Location</th>
<th>Address</th>
<th>Phone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>KARACHI</strong></td>
<td>1st Floor, Office No. 101 Balad Trade Center Plt No. 15/118, Block No. 3 Bahar Muslim Housing Society Karachi.</td>
<td>021-34893001</td>
<td><a href="mailto:cadkarachi@nepra.org.pk">cadkarachi@nepra.org.pk</a></td>
</tr>
<tr>
<td><strong>LAHORE</strong></td>
<td>2nd Floor, Office No. 212 National Tower, Opposite LDA Plaza Edgerton Road, Lahore.</td>
<td>042-99203483</td>
<td><a href="mailto:cadlahore@nepra.org.pk">cadlahore@nepra.org.pk</a></td>
</tr>
<tr>
<td><strong>PESHAWAR</strong></td>
<td>6th Saddar Road, 2nd Floor Room No. 3 &amp; 4, Tasneem Plaza, 6th Saddar Road Peshawar Cantt Peshawar.</td>
<td>091-5271238-39</td>
<td><a href="mailto:cadpeshawar@nepra.org.pk">cadpeshawar@nepra.org.pk</a></td>
</tr>
<tr>
<td><strong>QUETTA</strong></td>
<td>Room No. 1, 2nd Floor; Rehman Center, 7-A, Opposite NADRA Office, Model Town, Hali Riad, Quetta</td>
<td>081-2822035-36</td>
<td><a href="mailto:cadquetta@nepra.org.pk">cadquetta@nepra.org.pk</a></td>
</tr>
<tr>
<td><strong>SUKKUR</strong></td>
<td>House No. D-10, Hamdard Housing Society, Airport Road, Sukkur</td>
<td>071-5804563</td>
<td><a href="mailto:cadsukkur@nepra.org.pk">cadsukkur@nepra.org.pk</a></td>
</tr>
<tr>
<td><strong>HYDERABAD</strong></td>
<td>C-64, Phase-1, Near Post Office, Qasimabad, Hyderabad.</td>
<td>022-2672538</td>
<td><a href="mailto:cadhyderabad@nepra.org.pk">cadhyderabad@nepra.org.pk</a></td>
</tr>
<tr>
<td><strong>MULTAN</strong></td>
<td>Office No. 39, 1st Floor, Orient Mall Khanewal road near Chowk Kumharnawala, Multan.</td>
<td>061-6784537</td>
<td><a href="mailto:cADMultan@nepra.org.pk">cADMultan@nepra.org.pk</a></td>
</tr>
<tr>
<td><strong>FAISALABAD</strong></td>
<td>1st floor, Plaza No. C-6B, Opposite National Bank, College (Hockey Stadium) Road, Kohinoor City, Faisalabad</td>
<td>041-8727800</td>
<td><a href="mailto:cADFaisalabad@nepra.org.pk">cADFaisalabad@nepra.org.pk</a></td>
</tr>
<tr>
<td><strong>GUJRANWALA</strong></td>
<td>Office # 87, Block M, Trust Plaza, Gujranwala</td>
<td>055-3822766</td>
<td><a href="mailto:cAGujranwala@nepra.org.pk">cAGujranwala@nepra.org.pk</a></td>
</tr>
</tbody>
</table>
**Glossary of Acronyms Used**

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASR</td>
<td>Automatic System Recovery</td>
</tr>
<tr>
<td>BPC</td>
<td>Bulk Power Consumer</td>
</tr>
<tr>
<td>BQPS</td>
<td>Bin Qasim Power Station</td>
</tr>
<tr>
<td>BTPL</td>
<td>Bahria Town Private Limited</td>
</tr>
<tr>
<td>CAD</td>
<td>Consumer Affairs Department</td>
</tr>
<tr>
<td>CCI</td>
<td>Council of Common Interests</td>
</tr>
<tr>
<td>CCoE</td>
<td>Cabinet Committee on Energy</td>
</tr>
<tr>
<td>CCTV</td>
<td>Closed Circuit Television</td>
</tr>
<tr>
<td>CDA</td>
<td>Capital Development Authority</td>
</tr>
<tr>
<td>CDP</td>
<td>Common Delivery Point</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>CIR</td>
<td>Committed Information Rate</td>
</tr>
<tr>
<td>CNPGS</td>
<td>Chashma Nuclear Power Generating Station</td>
</tr>
<tr>
<td>COD</td>
<td>Commercial Operation Date</td>
</tr>
<tr>
<td>COR</td>
<td>Case Officer Report</td>
</tr>
<tr>
<td>CPEC</td>
<td>China Pakistan Economic Corridor</td>
</tr>
<tr>
<td>CPPA-G</td>
<td>Central Power Purchasing Agency Guarantee Limited</td>
</tr>
<tr>
<td>CSM</td>
<td>Consumer Service Manual</td>
</tr>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>CTBCM</td>
<td>Competitive Trading Bilateral Contract Market</td>
</tr>
<tr>
<td>DCRP</td>
<td>Distribution Code Review Panel</td>
</tr>
<tr>
<td>DG</td>
<td>Distributed Generation</td>
</tr>
<tr>
<td>DHCP</td>
<td>Dynamic Host Configuration Protocol</td>
</tr>
<tr>
<td>DISCO</td>
<td>Ex WAPDA Distribution Company</td>
</tr>
<tr>
<td>ECC</td>
<td>Economic Coordination Committee</td>
</tr>
<tr>
<td>ECM</td>
<td>Enterprise Contract Management</td>
</tr>
<tr>
<td>EMO</td>
<td>Economic Merit Order</td>
</tr>
<tr>
<td>ERRA</td>
<td>Earthquake Reconstruction and Rehabilitation Authority</td>
</tr>
<tr>
<td>ERP</td>
<td>Enterprise Resource Planning</td>
</tr>
<tr>
<td>FCA</td>
<td>Fuel Cost Adjustment</td>
</tr>
<tr>
<td>FESCO</td>
<td>Faisalabad Electric Supply Company Limited</td>
</tr>
<tr>
<td>GENCO</td>
<td>Public Sector Generation Company</td>
</tr>
<tr>
<td>GEPCO</td>
<td>Gujranwala Electric Power Company Limited</td>
</tr>
<tr>
<td>HESCO</td>
<td>Hyderabad Electric Supply Company Limited</td>
</tr>
<tr>
<td>HSE</td>
<td>Health, Safety and Environment</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
</tr>
<tr>
<td>---------</td>
<td>-----------</td>
</tr>
<tr>
<td>HVDC</td>
<td>High Voltage Direct Current</td>
</tr>
<tr>
<td>IESCO</td>
<td>Islamabad Electric Supply Company Limited</td>
</tr>
<tr>
<td>IGCEP</td>
<td>Indicative Generation Capacity Expansion Plan</td>
</tr>
<tr>
<td>IT</td>
<td>Information Technology</td>
</tr>
<tr>
<td>KCCP</td>
<td>Korangi Combined Cycle Power Plant</td>
</tr>
<tr>
<td>KDA</td>
<td>Karachi Development Authority</td>
</tr>
<tr>
<td>KPI</td>
<td>Key Performance Indicators</td>
</tr>
<tr>
<td>LAN</td>
<td>Local Area Network</td>
</tr>
<tr>
<td>LEPCL</td>
<td>Lucky Electric Power Company Limited</td>
</tr>
<tr>
<td>LESCO</td>
<td>Lahore Electric Supply Company Limited</td>
</tr>
<tr>
<td>MEPCO</td>
<td>Multan Electric Power Company Limited</td>
</tr>
<tr>
<td>MW</td>
<td>Megawatt</td>
</tr>
<tr>
<td>MYT</td>
<td>Multi-Year Tariff</td>
</tr>
<tr>
<td>NEPRA</td>
<td>National Electric Power Regulatory Authority</td>
</tr>
<tr>
<td>NOC</td>
<td>No Objection Certificate</td>
</tr>
<tr>
<td>NPCC</td>
<td>National Power Control Centre</td>
</tr>
<tr>
<td>NPTM-I</td>
<td>National Power Transmission Modernization Project Phase-I</td>
</tr>
<tr>
<td>NTDC</td>
<td>National Transmission and Dispatch Company</td>
</tr>
<tr>
<td>PBS</td>
<td>Pakistan Bureau of Statistics</td>
</tr>
<tr>
<td>PCP</td>
<td>Pakistan Citizen Portal</td>
</tr>
<tr>
<td>PEDO</td>
<td>Pakhtunkhwa Energy Development Organization</td>
</tr>
<tr>
<td>PESCO</td>
<td>Peshawar Electric Supply Company Limited</td>
</tr>
<tr>
<td>PGC</td>
<td>Provincial Grid Company</td>
</tr>
<tr>
<td>PHEP</td>
<td>Port Hardcourt Electricity Distribution</td>
</tr>
<tr>
<td>PID</td>
<td>Press Information Department</td>
</tr>
<tr>
<td>PPA</td>
<td>Power Purchase Agreement</td>
</tr>
<tr>
<td>PPIB</td>
<td>Private Power Information Board</td>
</tr>
<tr>
<td>PPP</td>
<td>Power Purchase Price</td>
</tr>
<tr>
<td>PSDR</td>
<td>Performance Standards (Distribution) Rules</td>
</tr>
<tr>
<td>PSGR</td>
<td>Performance Standards (Generation) Rules</td>
</tr>
<tr>
<td>PSS</td>
<td>Power System Stabilizer</td>
</tr>
<tr>
<td>PSTR</td>
<td>Performance Standards (Transmission) Rules</td>
</tr>
<tr>
<td>PTPL</td>
<td>Punjab Thermal Power (Private) Limited</td>
</tr>
<tr>
<td>PQA</td>
<td>Port Qasim Authority</td>
</tr>
<tr>
<td>QESCO</td>
<td>Quetta Electric Supply Company Limited</td>
</tr>
<tr>
<td>RFID</td>
<td>Radio Frequency Identification</td>
</tr>
<tr>
<td>RLNG</td>
<td>Re-Gasified Liquefied Natural Gas</td>
</tr>
<tr>
<td>RM</td>
<td>Regulatory Meeting</td>
</tr>
<tr>
<td>SAARC</td>
<td>South Asia Association for Regional Co-operation</td>
</tr>
<tr>
<td>SAIDI</td>
<td>System Average Interruption Duration Index</td>
</tr>
<tr>
<td>SAIFI</td>
<td>System Average Interruption Frequency Index</td>
</tr>
</tbody>
</table>
SCADA  Supervisory Control and Data Acquisition
SEL    Sitara Energy Limited
SEPCO  Sukkur Electric Power Company Limited
SEO    Search Engine Optimization
SOP    Standard Operating Procedure
SPTL   Special Purpose Transmission License
SSGC   Sui Southern Gas Company
STDC   Sindh Transmission & Distribution Company
SVC    Static Var Compensator
TOU    Time of Use
T&D    Transmission and Distribution
TESCO  Tribal Areas Electric Supply Company
TSEP   Transmission System Expansion Plan
UOSC   Use of System Charges
USAID  United State Agency for International Development
USOA   Uniform System of Accounts
UTM    Unified Threat Management
VPN    Virtual Private Network
WAN    Wide Area Network
WAPDA  Water and Power Development Authority
WTG    Wind Turbine Generator