NEWSLETTER

2nd Quarter

April - June 2025

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

CONTENTS

1 KEY HIGHLIGHTS 2nd QUARTER 2025

1.1 Tariff Department

Decisions issued on indexations and WHT dividends for various hydropower projects including Karot, Malakand-II, and Laraib. Interim and MYT tariff determinations finalized for multiple DISCOs along with PDL subsidy and EVCS tariff matters. Fuel charge adjustments and MYT approvals issued for K-Electric; related PDL and EVCS rulings also concluded.

1.2 Licensing Department

Modifications approved in generation licences of five entities to allow operation on indigenous gas, RLNG, or both. Two Generation and one Distribution licence granted to Kot Adu, CPGCL and HAZECO respectively; 2,352 net metering concurrences approved with a capacity of 338.68 MW.

1.3 Consumer Affairs

During Second Quarter of 2025, NEPRA processed 4,674 consumer complaints and conducted 1,979 hearings. Over 37,000 complaints were redressed via the ASAAN app. Key actions included MEPCO billing relief, an amendment to the Consumer Service Manual, and review hearings on cold storage tariff categorization.

1.4 CTBCM

CTBCM implementation advanced with approval of KE's Integration Plan and finalization of the SPA Code. Amendments to supplier licensing, revised PSDR, and Market Operator's FTR/MCC also progressed, supported by strategic partnerships.

1.5 Monitoring and Enforcement

During Second Qaurter of 2025, NEPRA took enforcement actions for grid failures, safety lapses, and performance issues, issuing SCNs, imposing fines, and holding hearings. CTBCM monitoring, AMI/AMR compliance, and public safety outreach also progressed.

1.6 Technical

NEPRA processed bid evaluations for K-Electric's 150 MW solar and 220 MW hybrid projects and approved key amendments in PPAs/PACs, including those of KEL, JPCL, HESCO, and KAPCO

1.7 Coordination and Implementation

112 Authority Regulatory Meetings and 34 Public Hearings / Hearing / Consultative Sessions were held.

1.8 Information Technology

NEPRA enhanced digital efficiency through upgrades to the HSE Portal, CMS-CAD, and ERP system, while ensuring full e-Office accessibility. Additionally, 3,178 regulatory documents were published online, reinforcing transparency and public access.

1.9 Human Resource and Administration

NEPRA ensured seamless administrative support during Second Quarter of 2025 through facility upgrades, digitization, and regional office refurbishments, while also revising its Service Regulations and strengthening the Legal Department.

2. TARIFF DEPARTMENT

2.1 Hydropower

Decisions were issued for annual; quarterly indexations and Withholding Tax Dividends for several hydropower projects including Karot HPP, Malakand-II, Laraib Energy Ltd; Mira Power; Chianwali, Marala, Pak Pattan HPPs and Star Hydro.

2.2 Distribution Tariff

NEPRA issued interim tariff determinations for FY 2025-26 for HESCO, SEPCO, QESCO, PESCO, MEPCO, GEPCO, TESCO and HAZECO. Tariff indexation and MYT-related decisions were finalized for IESCO, FESCO and LESCO, including review motions. CPPA-G's Power Purchase Price Forecast and monthly Fuel Charges Adjustments (Feb-Apr 2025) were approved. The Authority also ruled on Electric Vehicle Charging Stations (EVCS) tariff rationalization and consumer-end tariff matters related to the PDL subsidy.

2.3 K-Electric

NEPRA approved monthly fuel charge adjustments for K-Electric for January, February and March 2025. The Authority issued decisions on K-Electric's Multi-Year Tariff (MYT) petitions for Supply and Distribution functions for FY 2023-24 to FY 2029-30. Additionally, the Authority ruled on the Federal Government's motion for EVCS tariff rationalization and on consumer-end tariff recommendations related to PDL subsidy for XWDISCOs and K-Electric.

3 LICENSING DEPARTMENT

3.1 Licensee Proposed Modification(s)

The Authority approved modifications in the generation licences of the following companies to permit the operation of their generation facilities on Indigenous Gas, RLNG, or a blend thereof:

i. Central Power Generation Company Limited (GL/02/2002 dated July 01, 2002).
ii. Chiniot Power Limited (No. IGSPL/41/2014 dated June 11, 2014).
iii. Shahtaj Sugar Mills Limited (No. IGSPL/72/2016 dated November 10, 2016).
iv. Peshawar Electric Supply Company (No. DL/07/2023 dated May 09, 2023).
v. Peshawar Electric Supply Company (No. SOLR/07/2023 dated December 27, 2023).

3.2 Generation Licence(s)/Concurrence(s)

The Authority during the quarter granted concurrence to Kot Adu Power Company Ltd. for its 550 MW CCGT-based thermal facility in Punjab, and issued Generation Licence No. GL/29/2025 to CPGCL for its 776.7 MW thermal plant at Guddu, Sindh.

3.3 Distribution Licence(s)

The Authority during the quarter granted Distribution Licence (No. DL/10/2025) to Hazara Electric Supply Company pursuant to Section-20 and Section-21 of the NEPRA Act and also the Supplier Licence (No. DL/10/2025) to Hazara Electric Supply Company pursuant to Section-23E and Section-23F of the NEPRA Act.

3.4 Net-metering Concurrence(s)

NEPRA granted 2,352 net metering concurrences (for installations exceeding 25 kW), totaling a cumulative capacity of 338.68 MW, during the Second Quarter of 2025.

4 CONSUMER AFFAIRS DEPARTMENT & COMPLAINTS MANAGEMENT

4.1 Complaints and Hearings

Consumer Affairs Department received / processed a total No. of 4674 complaints during the Second Quarter of 2025; out of which 3003 complaints have been redressed/ disposed of and 1671 complaints are under process.

Moreover, a total No. of 1979 hearings were also conducted online, Head Office and in Regional Offices and directions were issued accordingly. In addition, 37536 complaints have also been redressed/resolved out of 37856, received on NEPRA ASAAN Approach mobile application during the said period.

4.2 Court Cases

Consumer Affairs Department has processed / disposed of a total No. of ten (10) Complaints/ Cases/ Writ Petitions referred by various Courts of law

4.3 Major Cases Processed

A total of forty-nine (49) Nos. of major cases/complaints have also been decided by Consumer Complaints Tribunals and directions / speaking orders were issued accordingly.

4.4 Other Highlights

i. In compliance with the directives of the Authority and Show Cause Notice issued to MEPCO; Authority provided relief of 0.181 MkWh to consumers wrongly charged detection bills for meter slowness beyond two billing cycles.

ii. The Authority approved an amendment to the Consumer Service Manual, allowing electricity bill payments in installments, communicated to all DISCOs and K-Electric.

iii. A hearing was held on May 22, 2025, to address review motions related to tariff categorization for cold storages.

5. REGISTRAR

No of Licences/Determinations/Decisions/notifications/ Concurrence etc. issued during April-June, 2025.

Sr. No.	Particular	No(s)
1	Generation Licence	01
2	Grant of Generation Concurrence	01
3	Supply Licence to XWDISCOs	09
4	Distributed Generation Concurrence	2352
5	Renewal of Generation Licence	01
6	Licensee Proposed Modifications (LPMs)	02
7	Tariff Determinations/Decisions	47
8	Tariff Adjustments (Monthly, Quarterly, Biannual, Annual)	195
9	SOLR Modification	01
10	SOLR Licence	01
11	No of Tariff Determinations/ Decisions notified in official gazette	48
12	* Market Operator * System Operator * CTBCM Determination	01 01 01

No of applications/Petitions etc registered/admitted during April-June, 2025.

Sr. No.	Particular	No(s)
1	Supply Licence Applications	03
2	Concurrence Application	05
3	Tariff Petitions	39
4	Review Motions	11

6 CTBCM Department

i. The CTBCM team has remained at the forefront of Pakistan's electricity market reform, driving key initiatives that align stakeholders with the transition to a competitive environment. A major milestone was the Authority's approval of the CTBCM Integration Plan submitted by K-Electric, signifying its shift from a vertically integrated utility to a participant in the national competitive market.

ii. The team also played a key role in amending the NEPRA Licensing (Electric Power Suppliers) Regulations, 2022, enabling wider supplier participation. NEPRA continues to benefit from strategic partnerships including technical assistance from the RELP program for competitive auction design and risk mitigation frameworks, research collaboration with the International Growth Centre (IGC), and support from GIZ for refining the Distribution Code; all facilitated through CTBCM-led coordination forums.

iii. Significant progress has been made on finalizing the Special Purpose Agency (SPA) Code, a crucial regulatory tool to govern supplier registration and participation under the CTBCM framework. The code is under final review following comprehensive consultations.

iv. Additionally, the Market Operator's Final Test Run (FTR) Report and the Market Commercial Code (MCC) key indicators of market readiness have reached advanced internal review stages and are essential for initiating commercial operations.

v. Lastly, the revised NEPRA Performance Standards (Distribution) Regulations (PSDR) are nearing finalization. These aim to enhance service quality and accountability in the distribution segment, with broad-based consultations including DISCOs and industry stakeholders ensuring the regulations are robust and practical for the liberalized market.

7 MONITORING & ENFORCEMENT DEPARTMENT

7.1 Generation

i. Hearings scheduled for Show Cause Notices issued to Orient, Saif, Sapphire, Lalpir, Halmore, HUBCO, Thar Energy, Nandipur (NPGCL), and NTDC over the total system collapse of 23.01.2023.
ii. CORs on 23.01.2023 collapse incidents submitted for Tapal, QATPL, HSR, Lucky Electric, and KE.
iii. COR presented on Show Cause Notice (SCNs) issued to NTDC/NPCC and CPPA-G for delays in black start facility activation and operating procedures.
iv. Hearing held on explanation issued to WAPDA on 23.01.2023 system collapse.
v. Hearing held on transformer damage case of CPHGCL.
vi. Daily generation data of NTDC and KE-linked plants analyzed and reported.
vii. Q3 FY 2024-25 Performance Evaluation Report (Jan-Mar, 2025) for operational plants prepared.
viii. Show Cause Notice (SCN) issued to KAPCO for extending PPA with CPPA-G by 485 days beyond license validity.
ix. Foundation Power directed to activate black start facility within 3 months.
x. Notice of Demand issued to CPPA-G to recover Rs. 50 million fine for excess capacity payments to CPGCL (TPS Guddu).
xi. NEPRA monitoring highlighted South-North constraint as a major factor in costly generation operations.
xii. Substantial financial impact recorded due to inefficient plant operations and underutilization of economical plants (NTDC and KE systems) during Apr-Jun 2025, mainly due to transmission constraints, contractual limitations, and planning inefficiencies.

7.2 Transmission

i. During the Second Quarter the Performance Evaluation Report for Q3 FY 2024-25 for Transmission Licensees was prepared and a follow-up on the previous PER 2023-24 recommendations issued to National Grid Company (NGC previously known as NTDC).

ii. The Authority addressed violations of NGC Specification P44:2018 on account of unsafe 11 kV vacuum circuit breaker make HUA Tech China by comprising safety code and uniformity of “On” and “Off” push button in violation of NTDC; An Investigation Committee was formed and report was submitted and accordinlgy Show Cause Notice was issued to NGC and the resposne is under review.

iii. Monthly reports (Mar-May, 2025) prepared for XWDISCOs' FCA hearings.

iv. Letter issued to NGC to discuss transmission system challenges, project delays and site visit of 500 kV Lahore-North grid station.

v. A fire incident at the 220 kV Band Road Grid Station on May 19, 2024, was followed by a preliminary report, an explanation and reply from NGC, and a hearing at NEPRA Headquarters. The Case Officer Report was presented to the Authority on June 19, 2025.

vi. Explanation issued to NGC regarding delay in completion of Lahore-North grid station. In response to the Explanation NGC requested for the hearing. A hearing in this regard was held on June 18, 2025.

vii. NGC's system constraint reports for March to May 2025 were reviewed, with discrepancies noted in the April and May reports. NGC was directed to correct and resubmit the data. NTDC also reported removal of 27 constraints as of May 29, 2025, expected to enhance system performance.

viii. NPGCL paid Rs. 697.10 million to NGC for interconnection facilities, which NGC failed to reimburse despite Authority's directions. An explanation was issued, followed by a hearing at NEPRA Headquarters.

7.3 Distribution:

i. NEPRA initiated legal action against HESCO, SEPCO, QESCO, PESCO, and KE for excessive load shedding based on AT&C losses, imposing fines of Rs. 50M on each; recovery initiated against four DISCOs, while KE challenged it in the Appellate Tribunal.

ii. DISCOs continue load shedding based on AT&C losses despite NEPRA's stance; SCNs were issued to PESCO, HESCO, SEPCO, and QESCO. However, NEPRA Appellate Tribunal granted stay order to PESCO subject to the submission of postdated cheque equal to the amount of fine to NEPRA, thus, the proceedings against PESCO has been kept on hold.

iii. Legal action initiated against all XW-DISCOs for failing to complete earthing of HT/LT poles; fines were imposed of Rs. 10M each, except SEPCO; progress being monitored regularly.

iv. DISCOs failed to meet timelines for completing earthing; proceedings initiated again; IESCO, MEPCO, and FESCO submitted completion certificates.

v. KE was directed to implement load shedding at PMT level using AMI/AMR meters; pilot project has been found unsatisfactory; legal action initiated. SCN was issued to KE for non-compliance; proceedings are ongoing.

vi. LESCO fined Rs. 23M over 12 fatalities during July 2023 monsoon; review petition rejected;

compensation and employment for victims' families was directed.

vii. Monthly data collected through NEPRA's online portal; quarterly report for Apr-Jun, 2025 prepared for Authority approval.

viii. IESCO's large-scale AMI/AMR project acknowledged; directed to submit monthly progress reports.

ix. Legal action taken against HESCO, SEPCO, QESCO for not establishing Safety Directorates; Rs. 10M fines on HESCO and QESCO was imposed; SEPCOs case is ongoing.

x. IESCO fined Rs. 200M over electrocution of minor girl due to sagging line; disciplinary actions directed; compensation and treatment ordered; matter is in Appellate Tribunal.

xi. CEO HESCO absent from hearing on 17.05.2024; explanation issued; SCN followed by hearing; final decision pending.

xii. Show cause notices issued to all DISCOs for FY 202223 fatalities; fines imposed; TESCO was exonerated; review petitions by FESCO and LESCO were rejected, PESCOs petition is pending.

xiii. IESCO was served SCN for continued non-compliance with its directions in the BTPL case; matter under Authority's review.

xiv. NEPRA M&E conducts quarterly monitoring of investment performance; monitoring reports submitted for MEPCO, GEPCO, TESCO; HESCOs report is pending.

xv. Meetings with PESCO, QESCO, SEPCO held; data collection is ongoing; reports to be presented to Authority.

xvi. Circular Debt Report (June 2024) revealed decline in DISCOs' recovery and T&D performance; SCNs issued excluding TESCO and KE; hearings for HESCO and SEPCO are completed.

7.4 HSE

i. The NEPRA Authority directed all licensees and power sector companies to launch the “Safety Awareness Campaign 2025” with the objective of strengthening safety practices and enhancing public awareness to achieve Zero accident goal. The campaign content includes comprehensive guidelines for the general public, private electricians and line staff; available on HSE page of NEPRAs website.

ii. All the licensees and power sector companies were directed to implement the “Monsoon and Flood Preparedness Safety Guidelines” to ensure the continuity of operations, the protection of critical infrastructure and the safety of employees, contractors and the general public.

8 TECHNICAL DEPARTMENT

i. The Bid Evaluation Reports was processed for competitive auctions by K-Electric Limited (KEL) for 150 MW Solar PV Projects at Winder & Bela, Districts of Baluchistan and 220 MW Site Neutral Hybrid project at Dhabeji.

ii. The matter of various Power Purchase Agreements (PPAs) and Power Acquisition Contracts (PACs) were approved w.r.t the amendment in the PAC signed between K-Electric Limited (KEL) and Lottee Chemicals; Amendment No. 2 to the PPA of Jamshoro Power Company Limited (JPCL) concerning the 660 MW Coal-Fired Power Plant; and the extension of the

PPA between Hyderabad Electric Supply Company (HESCO) and Thatta Power (Pvt.) Limited. Additionally, the Authority approved the tripartite PPA along with the schedules of Kot Addu Power Company Limited (KAPCO).

iii. NEPRA continued to enhance operational efficiency and drive digital transformation. Key milestones included the redesign of the HSE Data Exchange Portal, upgrades to the CMS-CAD Portal, and improvements to the Oracle ERP system through automated tax deduction features and custom financial reporting tools.

iv. In line with the directives of the Prime Minister of Pakistan, NEPRA has ensured full accessibility of the e-Office system, enabling seamless digital communication and correspondence with Ministries and Divisions.

v. Moreover, 3,178 documents including licences, tariff decisions, SROs, and consumer affairs records were published on NEPRA's website, reaffirming the Authority's commitment to transparency and public access to regulatory information.

9 COORDINATION & IMPLEMENTATION (C&I)

During the reporting period 112 Authority Regulatory Meetings were conducted and 34 Public Hearings / Hearing / Consultative Sessions were held.

10 INFORMATION TECHNOLOGY (IT)

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11 HUMAN RESOURCE, ADMINISTRATION & MEDIA

i. The Administration Department ensured uninterrupted logistical and administrative support across NEPRA. Key highlights included:

- Upgradation of the daycare facility at NEPRA Tower;
- Digitization of official records to improve data management and access;
- Comprehensive refurnishing of regional offices in Karachi and Lahore, including ergonomic furniture, upgraded meeting spaces, and renovated reception areas.

ii. Routine functions such as office management, inventory control, transport supervision, and enforcement of safety protocols were carried out seamlessly. In addition, all correspondence with the Cabinet Division was handled promptly and in consultation with the Legal Division.

iii. In response to evolving organizational needs, NEPRA revised its Service Regulations (NSR) in 2025. The updated regulations reflect a year-long effort involving internal experts and external consultants. The revised NSR addresses employee growth, emerging functions, and evolving HR demands. Pursuant to advertised positions, several new professionals have joined NEPRA's Legal Department.

iv. Media Department in the Second Quarter of 2025, NEPRA's Media Department published 39 advertisements in line with Press Information Department (PID) SOPs; issued 10 press releases/briefs which led to substantial media coverage and reduced misreporting.