



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No. NEPRA/TRF-108/IESCO-2008/238-40
September 26, 2008

Subject: **Determination of the Authority in the Matter of Petition filed by Islamabad Electric Supply Company Ltd. (IESCO) for Determination of Consumer-end Tariff and Rates of Security Deposits [Case No. NEPRA/TRF-108/IESCO-2008 (3)]**

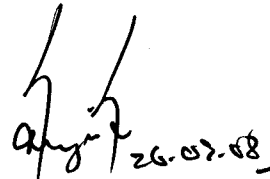
Dear Sir,

An Order of the Authority in the subject matter has already been communicated to Federal Government vide letter no. NEPRA/TRF-108/IESCO-2008/9807-9 dated 23.08.2008 for notification in the official Gazette. Attached please find NEPRA's detailed determination (15 pages) along with Annexes thereto (20 pages).

Enclosure: **As above.**

The Secretary,
Cabinet Division,
Government of Pakistan
Cabinet Secretariat,
Islamabad




(Mahjoob Ahmad Mirza)

CC:

1. Secretary, Ministry of Water & Power, Islamabad.
2. Secretary, Ministry of Finance, Islamabad.

**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)**

No. NEPRA/TRF-108/IESCO-2008

, 2008

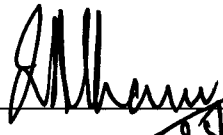
**DETERMINATION OF THE AUTHORITY IN THE MATTER OF PETITION
FILED BY ISLAMABAD ELECTRIC SUPPLY COMPANY (IESCO)
FOR DETERMINATION OF CONSUMER-END TARIFF AND
RATES OF SECURITY DEPOSITS**

PETITIONER

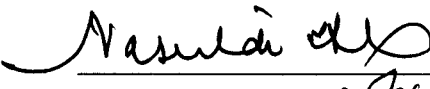
Islamabad Electric Supply Company Ltd. (IESCO)
Street No. 40, Sector G-7/4, Islamabad

AUTHORITY

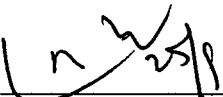
Zafar Ali Khan
Member/Vice Chairman


25/9/08

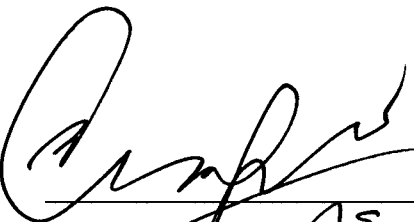
Nasiruddin Ahmed
Member

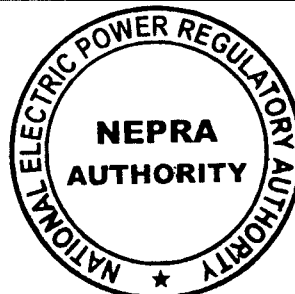

25/9/08

Maqbool Ahmad Khawaja
Member


25/9

Khalid Saeed
Chairman


25/9







BACKGROUND

- 1.1 Islamabad Electric Supply Company Limited (IESCO) is an ex-WAPDA Distribution Company (DISCO) owned by Government of Pakistan and incorporated as a Public Limited Company under Companies Ordinance 1984 in consequence of structural reforms introduced by Government of Pakistan (GOP) in the power sector. Principal business of the company is to provide electricity to the Islamabad Capital Territory and Northern Punjab (comprising consumers residing in the districts of Attock, Rawalpindi, Chakwal and Jhelum) under license No. 01/DL/2001 granted by NEPRA.
- 1.2 IESCO filed a tariff petition with NEPRA on June 16, 2008 for the determination of consumer-end tariff and rates for the security deposits for the Fiscal Year (FY) 2008-09 under Tariff Standards and Procedure Rules 1998. The petition was admitted by the Authority on June 24, 2008. Notice of admission/hearing was published in major national newspapers on June 27, 2008. Letters were sent to the key stakeholders inviting comments along with evidence, if any, to assist the Authority in arriving at a just and fair decision. In response, two written comments were received from Federation of Pakistan Chambers & Commerce Industry (FPCCI) and Senior Citizen Foundation of Pakistan. Hearing in the matter was held on July 11, 2008 at NEPRA Main Office.

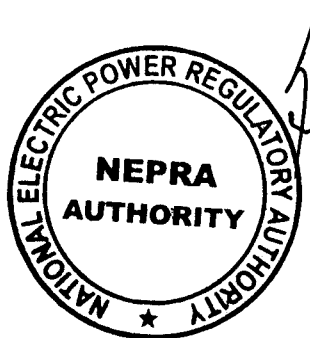
2. RELIEF SOUGHT

IESCO requested for:

- a. Approval of the Tariff Structure.
- b. Approval of rates of Security Deposits for IESCO.
- c. Extension by one year in the current deadline of June 30, 2008 for replacement of all meters with a load of more than 20 kW with Time of Use (TOU) meters
- d. Amendment in the timeframe / interval for adjustment of the tariff on account of Power Purchase Price of IESCO from existing quarterly to a monthly basis.

3. COMMENTS FROM THE OFFICE OF THE ELECTRIC INSPECTOR

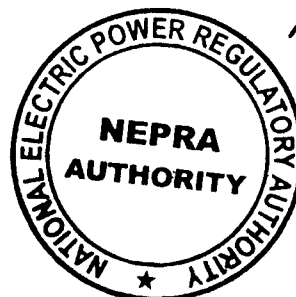
- 3.1 The Electric Inspector, on behalf of the Government of the Punjab (I&P Department), submitted the following comments:



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- 3.1.1 In March 2008, NEPRA revised/increased electricity tariff substantially for all five Distribution Companies in Punjab. Only three months later IESCO (along with other DISCOs) filed a petition for further enhancement in variable charges up to 33.7% which is not justified. According to him this increase is the highest so far allowed by the Government of Pakistan. Even the lifeline consumers (below 50 units) have been subject to increase in tariff of 25%.
- 3.1.2 IESCO has sought 2-month periodic adjustment in the end user tariff, which means that tariff will be allowed to be adjusted after every two months. This periodic adjustment in tariff will lead to unpredictable price hike, particularly where electricity is the major contributing factor.
- 3.1.3 The Salinity Control and Reclamation Project (SCARP) and Street Light Connections are provided by the Government of Punjab against relief in the property tax and pole mounting fee etc. to WAPDA. The enormous increase in these tariffs will increase burden on TMAs and user committees besides jeopardizing the agreement with WAPDA. It was further stated that this used to be a substantial relief to both categories of consumers before March 2008.
- 3.1.4 IESCO has proposed 29.38% increase in Variable Charges for Scarp D-1 tariff, which comes to Rs.7.75 per unit while average PPP (Power Purchase Price) is only Rs. 3.85 per unit i.e. more than a 100% increase.
- 3.1.5 Similarly for Public Lighting (G-tariff), which is used for public welfare and not for any industrial or commercial activity, new rates are proposed as maximum amongst the different categories, which is Rs. 10.50/- per unit. It is Rs. 2.42 higher than the existing rate, which is the maximum difference between existing and proposed rates (in percentage terms it is about 30%). The new proposed rates are 173% higher than the PPP. Rates for G-tariff should be in tune with PPP rates, as this tariff is used for public interest and not for any industrial, commercial or luxurious activities. It is worth mentioning here that the sale under G-tariff is only 98 GWh against a total sale of 7493 GWh. i.e. only 1.3% of the total sale. Similarly Scarp D-tariff sale is only 68 GWh i.e. 0.9% of the total sale. Hence, it will affect the company only marginally if the rates of D-1 tariff and G-tariff are not further extended. Consumers are provided with interests (or other relief in any other form) on the security deposits. For industries where shifting of electricity consumption between peak and off peak hours is beyond the control of the consumers, such



as CNG Stations etc, the provision of regular tariff should also be available for the consumer.

4. COMMENTS OF THE SENIOR CITIZENS FOUNDATION OF PAKISTAN

4.1 The Senior Citizens Foundation of Pakistan submitted the following comments:

4.1.1 Electricity tariffs are rising persistently. NEPRA does not take action regarding mismanagement and maladministration of WAPDA (now also including its subordinate companies) or fails to enforce principles of good management. Pointing out various major factors contributing to its mismanagement, excessive line losses were considered as the largest factor for which WAPDA not only failed to follow its own reported schedule of reducing losses but resorted to misreporting the level of losses to cover up its record as well. Consequently, the consumers are burdened with ever-increasing tariffs on the plea of rising international prices of crude oil.

4.1.2 Another major failure of WAPDA and NEPRA is the non- implementation of Performance Standards (Distribution)/Consumer Eligibility Criteria" formulated with considerable fanfare in May, 2002 and discussed in a public hearing.

5. ISSUES

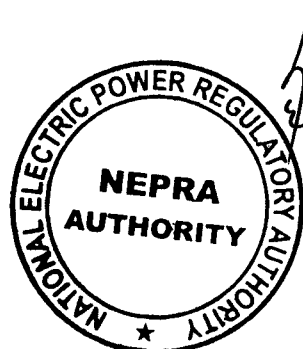
Following issues required Authority's consideration:

- Power Purchase Price (PPP) & Time frame for PPP Adjustment
- Distribution Margin
- Consumer-end Tariff
- Rates of Security Deposits

6. POWER PURCHASE PRICE (PPP) & TIME FRAME FOR PPP ADJUSTMENT

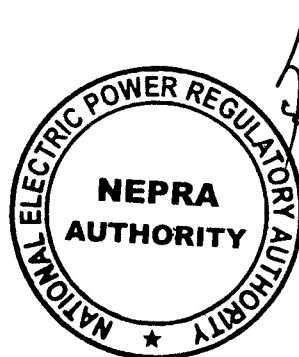
6.1 IESCO highlighted the following shortcomings of the existing PPP mechanism:-

- i. Abnormal changes in fuel prices pushing PPP significantly high beyond expectations.
- ii. Large shift in power generation mix towards oil arising due to declining hydel power generation and non-availability of gas.
- iii. Considerable decline in sale and purchase of power leading to an increase in per unit cost of fixed generation and transmission charges.





- iv. The time lag of 1 to 2 months between the required date of tariff adjustment (i.e. January 1 and July 1) and actual date of tariff notification was not envisioned when deciding on the methodology.
- 6.2 IESCO has proposed to bring down the existing tariff adjustment time frame of 6 months in arrears to 2 months. It contended that the purchase price of electricity should be a "pass through" to consumers through the retail tariff, without affecting IESCO's distribution margin. This can only be done if monthly tariff adjustments are allowed.
- 6.3 The Authority, keeping in view the information provided by IESCO and the present oil prices situation prevailing internationally, has evaluated the IESCO's request. The Authority based its earlier decision for allowing bi-annual PPP adjustment on the past trend of fuel price fluctuation. This trend changed altogether during FY 2007-08, which has necessitated reviewing the existing bi-annual PPP adjustment mechanism in view of the volatile international oil market.
- 6.4 During the period from July 2007 to June 2008 oil prices varied from about Rs.20,000 per ton to Rs. 47,000 reflecting an increase of 135%. The share of oil based generation in the overall generation is about 29%. The impact of increase in oil price alone, after taking into account transmission and distribution system losses (2.94% for voltage greater than 132 kV and 8.06% for voltage of 132 kV & below), in the consumer-end tariff is about 37%. The Authority has, accordingly, based IESCO's assessment for FY 2008-09 on increased fuel prices prevailing during the month of June 2008.
- 6.5 There was also a revenue shortfall during the period January-June 2008 which was on account of actual Power Purchase Price (PPP) being higher than that allowed to IESCO for that period. Due to this shortfall there was an additional impact of about 17%. In Authority's opinion the increase in PPP was beyond IESCO's control and in order to keep the DISCOs functioning smoothly a corresponding increase in the consumer-end tariff was required. The Authority has, therefore, allowed IESCO to pass on this additional impact to the end-consumer through its decision dated August 23, 2008 in accordance with the biannual Power Purchase Price Adjustment Mechanism notified vide SRO. 150(I)/2007 dated February 24, 2007 and 207(I)/2008 dated 1st March 2008. Increase on this account will only be for a period of one year.
- 6.6 The consumer end tariff is being revised on two accounts:
- i. Due to shortfall in revenue occurring during the period January-June 2008





resulting from variation in PPP as against the reference PPP. The recovery on this account will be made during the FY 2008-09. The consumer-end tariff to the extent of this increase will be revised after June 2009.

- ii. Due to revision in reference PPP as a result of change in PPP Adjustment Mechanism from existing 6 months to 1 month subsequent to amendment in the NEPRA Act.

- 6.7 The Federal Government has amended NEPRA Act XL of 1997 through proviso of;

"Provided further that the Authority shall, on a monthly basis, review and revise the approved tariff on account of any variations in the fuel charges and policy guidelines as the Federal Government may issue in this behalf and recommend the tariff so revised to the Federal Government for notification in the official Gazette"

- 6.8 After amendment in the NEPRA Act, it has become mandatory for the Authority to review the DISCOs' consumer-end tariff on monthly basis on account of variation in PPP due to change in fuel prices. Accordingly, monthly review mechanism for PPP has been prescribed, which is attached as **Annex-I**. In this regard the actual PPP for June 2008 of Rs. 5.45/kWh has been taken as a reference for PPP adjustment for the FY 2008-09.

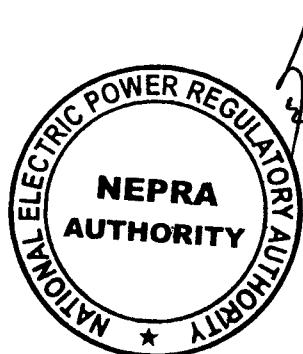
- 6.9 The Authority has noted that the DISCOs also suffered on account of delay in implementation of NEPRA decisions i.e. from the date of Authority's decision and notification by GOP, which also needs to be minimized.

7. DISTRIBUTION MARGIN (DM)

- 7.1 IESCO requested to allow DM of Rs. 7,890 million for FY 2008-09 as per the following details:

Description	Rupees in Million
O&M Cost	4,250
Depreciation	988
RORB	4,041
Gross DM	9,279
Less: Other Income	1,389
Net DM	7,890

- 7.2 IESCO's working is based on the following assumptions:





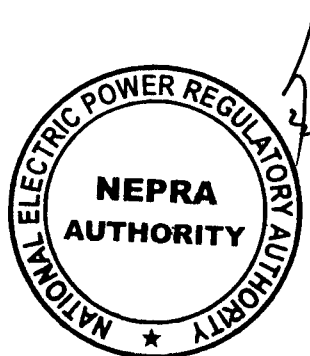
- i) 20% increase in pay and allowances and other operating and administration expenses.
- ii) Depreciation as per IESCO policy. Land (0%), building and civil works (2%), plant and machinery (3.5%), office equipment (10%), mobile plant and equipment (10%) and other assets (10%).
- iii) 17.92% pre-tax Rate of Return on Assets.
- iv) 0.35% Insurance of Transmission Assets.
- v) Maintenance expenses (including vehicle running expenses) @ 2.9% of average gross fixed assets in operation for the fiscal years 2007-08 and 2008-09.
- vi) Financial charges for the long-term loan actually in the books have been arrived on the basis of debt servicing schedule attached to each loan. For future loans in local currency 7 years has been assumed (including 2 years grace period) for repayment and an interest rate of 17%.
- vii) Other non-operating income to increase by 5% over FY 2007-08.
- viii) Provision for worker participation fund has been made as per applicable law.
- ix) 33% tax of net income before taxes in case of profit.
- x) In case of loss, tax @ 0.5% on turn over (sales – power purchase price) is applicable.
- xi) No dividend has been assumed.
- xii) Estimated sales of 7,493 GWh.

7.3 Operation and Maintenance (O&M) Cost

The Authority has examined IESCO's request on the basis of the above mentioned assumptions and the information provided in this regard. The Authority has also compared the cost requested by IESCO with the cost requested by other DISCOs. The O&M cost is fixed in nature and does not increase in direct proportion with the increase in sales. In the instant case, the O&M cost/kWh sold works out to be Rs. 0.57/kWh as compared to Rs. 0.52/kWh and Rs. 0.60/kWh in the cases of Multan Electric Power Company (MEPCO) and Lahore Electric Supply Company (LESCO) respectively. Having considered all the relevant information/evidence available and the aforementioned comparison, the Authority considers that the O&M cost of Rs. 4,250 million requested by IESCO is reasonable and has, therefore, decided to allow the same.

7.4 Depreciation

The petitioner requested Rs. 988 million on account of depreciation. The asset base for FY 2008-09 is projected to be Rs. 27.6 billion (gross) and Rs. 18 billion (net). This



amount also includes the amount of capital contribution (deferred credit) from the consumers to the tune of Rs. 8.2 billion. The amount of amortization on this deferred credit is accounted for on the revenue side which, in the instant case, has been assessed as Rs. 417 million which means that the petitioner is allowed a net depreciation of Rs. 571 million (988 – 417). The working of depreciation, being in line with the international accounting standards, is being allowed as such.

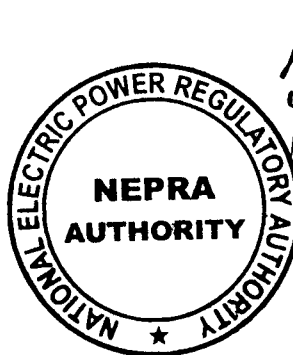
7.5 Return on Rate Base (RORB)

- 7.5.1 The petitioner has calculated Return on Rate Base (RORB) assuming a Weighted Average Cost of Capital (WACC) of 17.92% and a Regulatory Asset Base (RAB) of Rs. 16.69 billion including working capital of Rs. 4.31 billion according to the following formula

$$\text{RORB} = \text{Rate Base} \times \text{WACC}$$

$$\text{Rate Base} = \text{Opening Net Fixed Assets in Operation} + \text{Working Capital (being one month average cost of purchase of power including Use of System Charges} + 5\% \text{ of net fixed assets in operation)} + \text{New Investment} - \text{Depreciation for the period} - \text{Un Amortized Closing Balance of Deferred Credits.}$$

- 7.5.2 The Authority observed that IESCO in support of its claim did not provide any working/evidence. In absence thereof, the reasonability of IESCO's requested rate could not be established. The Authority, however, considers that IESCO sustained huge losses during the past. Therefore, for calculation of a suitable WACC, one needs to deconstruct it into costs of debt and equity. The Authority considers that, in the instant case, it would be more appropriate to base the calculation of WACC on a minimum equity of 20%. Accordingly, assuming the same 19.86% rate of return on equity, 13.24% interest rate and tax rate of 35%, a pre-tax WACC of 16.7%, in the instant case, has been taken.
- 7.5.3 The Authority considered the petitioner's request for allowing working capital equal to one month's average cost of purchase of power (including Use of System Charges). In the Authority's opinion it will be unfair to allow a cost in the consumer-end tariff that has not been incurred. The Authority considers that the cost of working capital should be on the basis of actual working capital requirement based on annual audited accounts. The adjustment in this regard, if any, will be allowed in the succeeding twelve months, for which the company will be required to submit its claim duly supported with the relevant documentary evidence. In view of the aforementioned, the Authority has decided to exclude working capital requirement from the RAB for



the purpose of calculating return.

- 7.5.4 Based on the un-audited accounts for the FY 2007-08 and projections for the FY 2008-09, the Rate Base for determining return has been calculated as given hereunder:

Description	Rupees in Million	
	FY 08	FY 09
Opening fixed assets in operation	20,809	24,771
Assets Transferred during the year	3,962	2,854
Closing Fixed Assets in Operation	24,771	27,625
Less: Depreciation	8,543	9,531
Net Fixed Assets in operation	16,228	18,094
+ Capital Work in Progress (Closing)	3,094	2,534
Total Fixed Assets	19,322	20,628
Less: Deferred Credit	7,921	8,248
Total	11,401	12,380
Average Regulatory Assets Base		11,891
Return on Rate Base @ 16.7%		1,986

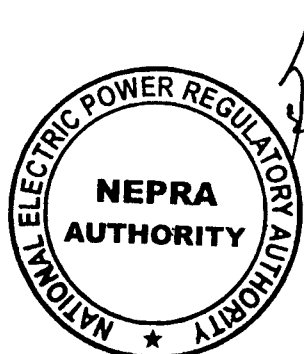
- 7.5.5 Based on the decisions of the Authority in the preceding paragraphs and applying a WACC of 16.7% to average Regulatory Asset Base of Rs. 11,891 million, RORB has been worked out as Rs. 1,986 million.

7.6 Other Income

IESCO estimated Rs. 1,389 million as other income comprising of rental income, amortization of deferred credit and miscellaneous income. According to the un-audited accounts, the other income for the FY 2007-08 was Rs. 1,319.19 million. Based on the information provided and keeping in view the past trend, the Authority considers that the IESCO's request in this regard is reasonable and has, therefore, decided to allow Rs. 1,389 million on account of other income for FY 2008-09.

7.7 Transmission & Distribution (T&D) Losses

IESCO proposed a level of losses of 13.41% for the FY 2008-09. For the FY 2007-08



the Authority had set a target of 12% as transmission & distribution losses for IESCO. According to the information provided, the actual overall losses of 10.29% comprised of transmission losses of 2.94% and distribution losses of 7.35%. The Authority, while appreciating the efforts made by IESCO to meet the energy losses reduction target set by the Authority for the FY 2007-08, decides to maintain the losses level of 10.29% achieved during last year for FY 2008-09 as well. The Authority believes that this target provides an incentive to IESCO to perform even better.

7.8 In light of the above, IESCO's Distribution Margin (DM) has been assessed as:

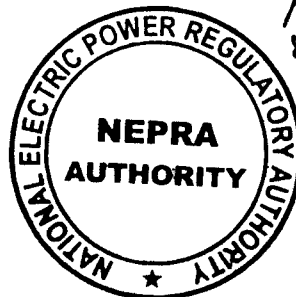
Description	Mill. Rs.
Operating Cost	4,250
Depreciation	988
RORB	1,986
Gross DM	7,224
Less: Other Income	1,389
Net Distribution Margin (DM)	5,835

7.9 Based on the estimated sales of 7,493 GWh for the FY 2008-09, the IESCO's DM for FY 2008-09 works out as Rs. 0.78/kWh.

8. CONSUMER-END TARIFF

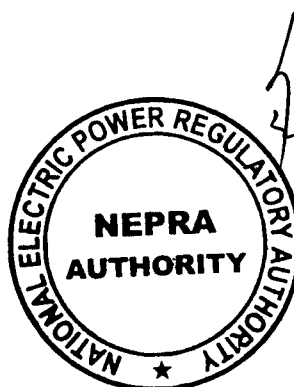
8.1 The petitioner requested an average sale rate without taking into account the impact of biannual PPP adjustment for the 2nd half of the FY 2007-08. Another reason for increase in average sale rate as against the petitioner's requested average sale rate was due to shifting from biannual PPP adjustment mechanism to monthly PPP adjustment mechanism. In this regard IESCO, in its tariff petition, assumed an average PPP of Rs. 4.64/kWh while actual PPP for the month of June 2008 was Rs. 5.45/kWh which is being adopted as reference PPP for FY 2008-09. The impact on this account works out to be Rs. 0.81/kWh. After incorporating the aforementioned adjustments and DM of Rs. 0.78/kWh, the Authority has assessed the average sale rate of Rs. 7.58/kWh. In order to ensure recovery of assessed revenue of Rs. 56,772 million (**Annex-II**) which includes PPP adjustment for the 2nd half of the FY 2008, the Schedule of consumer-end tariff has been revised and is attached as **Annex-III**. The PPP adjustment for the FY 2007-08 of Rs. 0.68/kWh shall only be applicable for the fiscal years 2008 and 2009 and after June 30, 2009, there shall be a review in the consumer-end tariff to this extent.

8.2 The tariff has been rationalized in order to minimize cross-subsidy among different



consumer categories. Previously, the benefit of subsidized rates was being given to all consumers irrespective of their capacity to pay. The Authority considers that the benefit of subsidized rate should only be given to really deserving consumers' including life line customers. The Authority has, therefore, decided to withdraw the benefit of low rate available to the higher slab residential consumers, through cross subsidization, since they have a better capacity to pay. The Authority further considers that consumers consuming up to 50 units should continue to be charged at the previous rate.

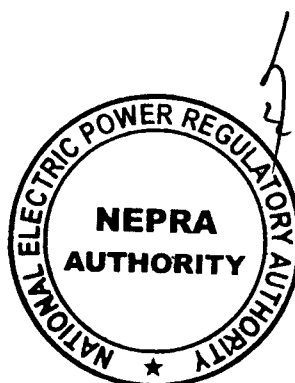
- 8.3 The threshold units for application of higher rate has been reduced from 1000 and above units to 700 and above. The slab range of 301 - 1000 units has, accordingly, been reduced to 301 - 700 units. The consumers will be charged for entire consumption with the rate corresponding to the slab in which they fall. The Authority believes that this will encourage efficient usage of electricity.
- 8.4 While determining the consumer-end tariff the economic and social policy objectives of the Federal Government have been kept in view. In this regard, the Authority also considered the inadequate purchasing power of the low income group. The Authority has, therefore, decided to maintain the existing tariff of Rs. 1.60/kWh for the life line consumers. There will be a cross-subsidy of Rs. 5.98/kWh which translates into Rs. 945 million. The tariff of consumers having consumption of more than 50 units and up to 100 units will be charged at the rate of Rs. 3.75/kWh, which is cross-subsidized by Rs. 3.83/kWh, the amount of cross-subsidy being about Rs. 980 million. The consumers having consumption of more than 100 units and up to 300 units will be charged a rate of Rs. 6.00/kWh. The cross-subsidy in this class of consumers is Rs. 1.58/kWh, which amounts to Rs. 2,145 million. The consumers having consumption of more than 300 units but less than 700 units put extra burden on the system due to which marginal cost of generation increases significantly. Therefore, their tariff is fixed at Rs. 8.50/kWh. The Authority considers that in order to meet the requirements of the consumers having consumption of more than 700 units, the most costly thermal plants have to be operated; therefore, their rate should recover not only the cost of electricity during off-peak hours but also the proportional share of marginal cost of more expensive thermal power generation. Thus, their tariff has been fixed at Rs. 10.00/kWh.
- 8.5 While rationalizing the consumer-end tariff, the difficulties of the industrial sector have also been kept in view. In the instant case, about 17.1% of the industrial consumption is in the B2 category and almost 77% is in the B3 & B4 categories. For the B2 category the regular tariff is Rs. 6.50/kWh (variable) and Rs.315/kW/month



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(fixed). The B2 industrial consumers have the option to shift to Time of Use (TOU) metering arrangement, which provides an incentive for reducing monthly bills and also encourages the efficient utilization of electricity. During peak hours only the fuel cost component of the peaking power plants ranges between Rs.15/kWh to Rs. 18/kWh. If the transmission and distribution losses are accounted for then this cost further increases to Rs. 19/kWh to Rs. 23/kWh. Keeping in view the losses pertaining to the particular class of consumers, for the B2 industrial category the off-peak rate of Rs.6.00/kWh (variable) and Rs.315/kW/month (fixed) has been determined. For the B3 & B4 industrial categories, Rs. 5.90/kWh (variable) and Rs.305/kW/month (fixed) and Rs. 5.80/kWh (variable) and Rs. 215/kW/month (fixed) respectively have been determined.

- 8.6 The Authority is also aware of the difficulties of small industrial consumers. In order to strike a balance among different consumer categories, the Authority has, therefore, decided to lower the existing threshold of 20 KW for provision of TOU metering arrangement to 5 KW. The rate of off peak consumers has been kept at a much lower level as against the overall average sale rate of Rs. 7.58/Kwh. This will provide not only an equal opportunity to small industrial consumers to minimize their monthly bills but would also encourage efficient usage of electricity.
- 8.7 The agriculture sector, being the back bone of the Pakistan economy, needs special treatment. The Authority is also aware of the difficulties faced by this class of consumers. The increase in input cost of agriculture produce drastically affects the agro-based industry as well as the common man due to increase in the cost of food items. The Authority has nominally revised the rate of variable portion for agricultural consumers from Rs. 3.84 / kWh to Rs. 4/kWh while the fixed rate is being maintained at the existing level. Accordingly, the rate for the agriculture sector has been increased by only 4.2% despite an overall increase of around 4.8%. The TOU rate for the agricultural sector is set at Rs. 3.75/kWh for off-peak and Rs. 12/kWh for peak hours plus fixed charges of Rs. 315/kW/month.
- 8.8 The Authority considers that some strategic measures are required to be taken in order to curtail peak-load requirement through demand side management and discouraging unnecessary usage of electricity. In this regard the Authority has decided to introduce TOU metering arrangement for all consumer categories, including residential customers having load requirement of 5 kW and above. All new consumers having sanctioned load exceeding 5 kW shall be provided TOU metering arrangement with effect from 1st January 2009 and shall be billed on the basis of tariff A-1(b) as set out in the Schedule of Tariff (SOT). All the existing consumers' having



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sanctioned load exceeding 5 kW shall be provided TOU metering arrangement and converted to A-1(b) tariff by the Company no later than June 30, 2010. The cost of replacement of meters of the existing consumers shall be borne by the DISCO. In case the existing consumer pays for the cost of replacement of the meters, such cost shall be adjusted in the consumer's bill in 36 months. The cost of meters for new connections will be the responsibility of the consumers. The DISCO will be obliged to submit quarterly report to the Authority regarding conversion of TOU metering for all loads exceeding 5kW.

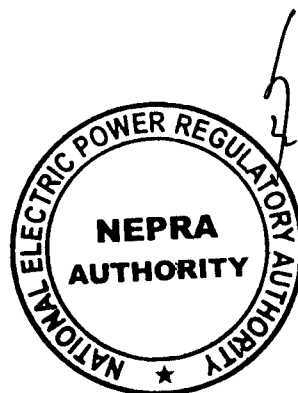
- 8.9 Unlike other consumer categories there will be no fixed charges for residential consumers. The TOU rate has been so designed that consumers, through better management of consumption according to the peak & off-peak timings, will be able to reduce their bills as a result of cost avoided from not operating the most expensive thermal plants. The introduction of TOU metering will result in better management of consumption by consumers during the peak and off-peak timings. This will reduce their consumption/burden on the system resultantly reducing their bills. As a result an incentive has been provided to the domestic consumers to reduce their bills. This will, in turn, reduce burden on the system during peak hours and will result in avoiding operation of the most expensive plants during the peak hours. This phenomenon is known as Demand Side Management and is already successfully operating in a number of developed and developing countries and in the industrial sector in Pakistan.

9. RATES OF SECURITY DEPOSITS

IESCO has proposed to revise its rates of security deposits for new connections. The Authority considered the proposed rates of security deposits required to be deposited by an applicant for electricity connection at the time of getting his connection or enhancement of load of an existing connection. This rate is prescribed as approximately equivalent to two and a half months bill as a security against non-payment/default etc. The proposed rates of security deposits appear to be in the range of two and a half months and are approved as such on account of being reasonable. The newly approved rates are attached as Annex-IV, which will only be applicable for new connections. The rates of security deposits of existing consumers will, however, remain unchanged.

10. SUMMARY OF THE DECISIONS MADE BY THE AUTHORITY

- 10.1 The Authority made the following decisions:



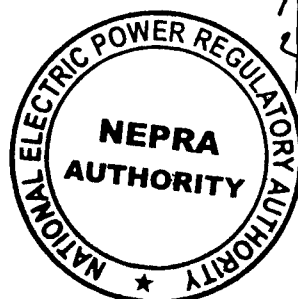


- Determined Average Sale Rate of Rs. 7.58/kWh comprising PPP of Rs. 6.12/kWh and Distribution Margin of Rs. 0.78/kWh for the FY 2008-09; the impact of 2nd biannual adjustment for the FY 2007-08 is to the tune of Rs. 0.67/kWh.
- The benefit of low rate available to the higher slab residential consumers has been withdrawn and the consumers will be charged for entire consumption with the rate corresponding to the slab in which they fall.
- IESCO's consumer-end tariff shall be reviewed/adjusted on a monthly basis on account of PPP variation in accordance with the mechanism at **Annex-I**.
- Target Transmission & Distribution Losses are 11% (comprising 2.94% for 132 kV & 8.06% for voltage below 132 kV) for the FY 2008-09.
- Financing cost of working capital will be allowed on an actual basis.
- Fixed Charges for TOU residential consumers have been converted into energy charges.
- The band of third slab of the residential consumers class has been changed from 301-1000 units to 301-700 units. Accordingly, the threshold for the slab of 1000 units and above in the residential consumers category has been reduced to 700 and above units.
- The threshold of 20 kW sanctioned load has been reduced to 5 kW for provision of TOU metering arrangement for new consumers with effect from 1st January 2009 and for existing consumers till 30th June 2010. The DISCO will submit quarterly report to the Authority regarding conversion of TOU metering for all loads exceeding 5kW.

10.2 In view of the above, the Authority hereby approves the tariff of Islamabad Electric Power Company (IESCO) as set out in the following order:

ORDER

- I. Islamabad Electric Supply Company (IESCO) is allowed to charge its consumers' such tariff as set out in the schedule of tariff for IESCO as per **Annex-III**. The consumer-end tariff shall remain applicable till the time IESCO files a petition for revision of tariff, subject to the variation allowed due to Adjustment Mechanism of tariff on account of variation in Power Purchase Price at **Annex-I**.
- II. IESCO shall submit its calculation for adjustment in average sale rate due to variation in PPP billed by CPPA according to the prescribed transfer price mechanism by 15th of next month immediately after the period as laid down





in the prescribed mechanism for adjustment. Such adjustment would be required along with the proposed adjustment in consumer-class rate. The Authority will determine the revised tariff within 5 working days of receipt of information from IESCO. The variation in average sale rate will be distributed between the various consumer classes such that cross-subsidization is minimized as far as possible. This adjustment shall not be applicable to life line consumers.

- III. The terms and conditions related to the schedule of tariff shall be those as attached to this determination as **Annex-V**.
- IV. IESCO is allowed to charge the users of its system a use of system charge (UOSC) equal to:

- i) Where only 132kV system is involved

$$UOSC = DM \times \frac{(1-L)}{(1-0.0294)} \text{ Paisa / kWh}$$

- ii) Where only 11 kV distribution system is involved

$$UOSC = DM \times \frac{(1-L)}{(1-0.05)} \text{ Paisa / kWh}$$

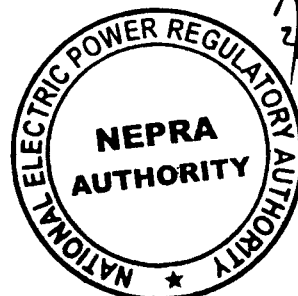
- iii) Where both 132 kV and 11 kV distribution systems are involved

$$UOSC = DM \times \frac{(1-L)}{(1-0.0794)} \text{ Paisa / kWh}$$

Where:

Distribution Margin for the FY 2008-09 is set at Paisa 77.87/kWh. 'L' will be the overall percentage loss target for the year set at 11% for FY 2008-09.

- V. The Mechanisms for Adjustment of average sale rate on account of variation in Power Purchase Price (**Annex-I**), Schedule of Tariff at **Annex-III**, revised Security Deposits Rates at **Annex-IV** and Terms and Conditions at **Annex-V** related to the tariff be sent to the Federal Government for notification under Section 31(4) of the Act.



Adjustment Mechanism for Power Purchase Price (PPP)

Pursuant to the Amendment in the Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997 (No. XL of 1997) approved through Finance Act, 2008, the consumer-end tariff of Islamabad Electric Supply Company (IESCO) shall be reviewed on monthly basis for variation in Power Purchase Price (PPP) including fuel price variation. The adjustment in the consumer-end tariff shall be made according to the following formula:

$$\Delta PPP = \pm \frac{(PPP_{(Act)} - PPP_{(Ref)})}{(1 - L)}$$

Where:

- ΔPPP = Variation in Power Purchase Price including fuel price variation in terms of Rs./kWh purchased occurred in a month against the reference PPP
- $PPP_{(Act)}$ = Actual PPP (Rs./kWh purchased) during the month for which the adjustment is required to be made
- $PPP_{(Ref)}$ = Reference Power Purchase Price (PPP) of Rs. 5.4486/kWh
- L = Target losses which are 11% for FY 2008-09

The impact of change in the power purchase price in the bill of individual consumer will be calculated according to the following formula:

$$PPP \text{ Adjustment} = \pm \Delta PPP \times U_{(C)}$$

Where:

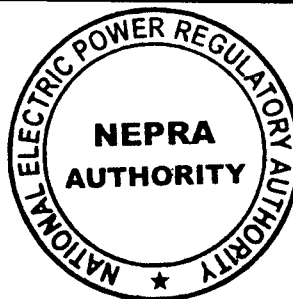
- $U_{(C)}$ = Units consumed by the consumer during the month for which the adjustment is required to be made

IESCO shall clearly indicate in the bill of a consumer the actual PPP (Rs./kWh purchased) for the month i.e. the month for which adjustment is required to be made, reference PPP and target losses.

IESCO shall submit its request for adjustment on account of PPP for a month by 15th of each month or the next working day in case a holiday falls on the 15th.

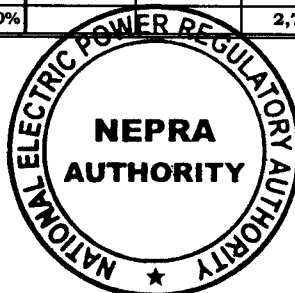
NEPRA shall within five working days approve the adjustment on account of PPP variation and send it to the federal government for notification in the official gazette.

Any tariff adjustment so determined by the Authority shall be immediately applicable to the extent of the tariff notified by the Federal Government as per Section 31(4) of the National Electric Power Regulatory Authority Act, 1997. In case the notified adjustment is different from the one allowed for the immediate application, the requisite adjustment for such a difference shall be made as soon as possible but not later than the succeeding billing month.



Islamabad Electric Supply Company (IESCO)
Estimated sales revenue on the basis of new tariff for FY 2008-09

Description	Sales GWh	Sales Mix	New Tariff (NEPRA)		Revenue (as per NEPRA)		
			Fixed Charge Rs./kW/ Month	Variable Charge Rs./ kWh	Fixed Charge Mins. Rs.	Variable Charge Rs. Million	Total Rs. Million
Residential							
Up to 50 Units	158	2.11%		1.60	-	253	253
For peak load requirement up to 5 kW							
01-100 Units	256	3.42%		3.75	-	960	960
01-300 Units	1,361	18.16%		6.00	-	8,165	8,165
01-700 Units	668	8.91%		8.50	-	5,675	5,675
Above 700 Units	612	8.17%		10.00		6,123	6,123
For peak load requirement exceeding 5 kW							
Time of Use (TOU) - Peak	3	0.04%		12.00	-	36	36
Time of Use (TOU) - Off-Peak	15	0.20%		7.00	-	105	105
Total Residential	3,073	41.01%			-	21,317	21,317
Commercial - A2							
For peak load requirement up to 5 Kw	462	6.16%		10.50	-	4,846	4,846
For peak load requirement exceeding 5 kW							
Regular	266	3.55%	315.00	8.00	314	2,128	2,442
Time of Use (TOU) - Peak	25	0.33%		12.00	-	297	297
Time of Use (TOU) - Off-Peak	125	1.67%	315.00	6.00	147	749	896
Total Commercial	877	11.71%			462	8,020	8,482
Industrial							
B1	104	1.39%		7.50	-	781	781
B2	242	3.23%	315.00	6.50	254	1,571	1,825
B2 - TOU (Peak)	3	0.05%		12.00	-	40	40
B2 - TOU (Off-peak)	49	0.66%	315.00	6.00	56	297	352
B3 - TOU (Peak)	71	0.95%		11.90	-	847	847
B3 - TOU (Off-peak)	439	5.86%	305.00	5.90	325	2,591	2,916
B4 - TOU (Peak)	95	1.27%		11.80	-	1,123	1,123
B4 - TOU (Off-peak)	760	10.14%	295.00	5.80	520	4,407	4,926
Total Industrial	1,764	23.54%			1,155	11,656	12,811
Single Point Supply for further distribution							
C1(a) Supply at 400 Volts - up to 5 kW	1	0.02%		8.00	-	12	12
C1(b) Supply at 400 Volts -exceeding 5 kW	86	1.15%	315.00	7.50	68	646	714
Time of Use (TOU) - Peak	2	0.02%		12.00		20	20
Time of Use (TOU) - Off-Peak	8	0.11%	315.00	6.00	8	49	57
C2 Supply at 11 kV	361	4.82%	305.00	7.40	408	2,673	3,080
Time of Use (TOU) - Peak	7	0.09%		11.90		80	80
Time of Use (TOU) - Off-Peak	33	0.45%	305.00	5.90	45	197	242
C3 Supply above 11 kV	102	1.36%	295.00	7.30	85	744	829
Time of Use (TOU) - Peak	2	0.03%		11.80		27	27
Time of Use (TOU) - Off-Peak	9	0.13%	295.00	5.80	10	54	64
Total Single Point Supply	612	8.17%			623	4,502	5,125
Agricultural Tube-wells - Tariff D							
D1 Scarp	68	0.90%		7.50		507	507
D2 Agricultural Tube-wells	12	0.16%	90.00	4.00	5	48	53
Time of Use (TOU) - Peak	1	0.02%		12.00	-	18	18
Time of Use (TOU) - Off-Peak	7	0.10%	315.00	3.75	11	28	39
Total Agricultural	89	1.18%			16	601	617
Public Lighting - Tariff G	98	1.31%		10.50	-	1,031	1,031
Tariff H - Residential Colonies attached to industries	5	0.07%		10.00	-	52	52
Special Contracts - Tariff K (AJK)	975	13.01%	295.00	7.00	512	6,824	7,335
Time of Use (TOU) - Peak				11.80			
Time of Use (TOU) - Off-Peak			295.00	5.80			
Special Contracts - Tariff K (Rawat)	0	0.00%		7.50	-	2	2
Grand-Total	7,493	100%			2,767	54,005	56,772

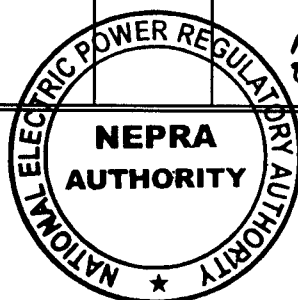


ISLAMABAD ELECTRIC SUPPLY COMPANY

INCOME STATEMENT

YEAR ENDING JUNE 30

	UNIT	Audited FY07	Unaudited FY08	Projected FY09
Units Received	(Gwh)	8,044	8,061	8,419
T&D Losses	(Gwh)	979	829	926
T&D Losses	%	12.17%	10.29%	11.00%
Units Sold	(Gwh)	7,065	7,232	7,493
Cost of Purchase- Received	Rs./Kwh	3.5018	4.6670	5.4486
Cost of Purchase- Sold	Rs./Kwh			6.1220
OPERATING REVENUE		Rupees in Million		
Sale of Electricity		32,627.094	34,726.000	51,707.294
Rental & Service Income		43.797	46.900	48.000
Total Operating Revenues		32,670.891	34,772.900	51,755.294
Amortization of Deferred Credit		330.843	391.000	417.000
		33,001.735	35,163.900	52,172.294
Operating Costs				
Capacity Purchase Price				
Energy Purchase Price		28,168.415	37,618.450	45,872.198
Transmission Charge				
Salaries, wages and other benefits		1,750.577	2,415.000	2,789.000
Repair & maintenance		430.517	531.000	632.000
Travelling		73.869	95.000	114.000
Transportation		125.877	185.000	194.000
Miscellaneous		587.402	454.000	521.000
Depreciation		742.348	880.450	988.000
Cost of Sales		31,879.005	42,178.900	51,110.198
Gross Profit		1,122.730	(7,015.000)	1,062.096
Other Income		839.746	882.000	924.000
Profit/(Loss) before Interest & Tax		1,962.476	(6,133.000)	1,986.096
Financial & Other Charges		357.792	315.000	719.000
Net Profit/(Loss) for the Year before tax		1,604.683	(6,448.000)	1,267.096
Tax		587.360	5.000	443.484
Net Profit/(Loss) after tax		1,017.324	(6,453.000)	823.613
Workers Profit participation fund		87.341	93.000	41.181
Net Profit/(Loss) for the Year after tax		929.983	(6,546.000)	782.432
Income / (Loss) brought forward		742.334	1,672.317	(4,873.683)
Prior year adjustments			-	5,064.519
Accumulated Profit / (Loss)		1,672.317	(4,873.683)	973.268
Return on Assets before tax (%)				16.703%
Return after tax (%)				10.86%
Rate Base (Rs. Million)				11,890.820



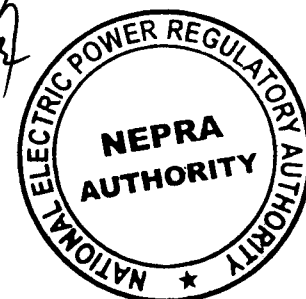
ISLAMABAD ELECTRIC SUPPLY COMPANY

BALANCE SHEET

As On JUNE 30

Rupees in Million

	Audited FY07	Unaudited FY08	Projected FY09
ASSETS			
FIXED ASSETS			
Fixed Assets in Operation	20,808.908	24771.070	27,625.070
Less: Accumulated Depreciation	7,662.606	8,543.000	9,531.000
Net Fixed Assets in Operation	13,146.302	16,228.070	18,094.070
Work in Progress	3,147.162	3,094.000	2,534.000
Total Fixed Assets	16,293.464	19,322.070	20,628.070
Long term loans and advances	9.893	13.000	17.000
Long-term Deposits	0.126	-	-
Long Term Investment	-	-	-
	10.019	13.000	17.000
CURRENT ASSETS			
Stores , Spares & loose tools	1,415.495	1,345.000	1,277.000
Accounts Receivable	6,488.765	5,708.000	7,237.000
Less: Provision for Bad Debt	821.181	809.000	792.000
Accounts Receivable-Net	5,667.584	4,899.000	6,445.000
Loans, advances, deposits and other receivab	6,493.396	18,712.000	19,024.000
Cash & Bank Balances	5,914.918	1,588.061	5,343.546
Total Current Assets	19,491.393	26,544.061	32,089.546
Total Assets	35,794.876	45,879.131	52,734.616
CAPITAL AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Share Capital			
5,000,000,000 ordinary shares of Rs. 10 each	50,000.000	50,000.000	50,000.000
Issued, subscribed and paid up share capit	0.010	0.010	0.010
Deposit for issue of shares	5,798.243	5,798.243	5,798.243
Retained Earnings/(Accumulated Loss)	1,672.317	(4,873.683)	973.268
Total Equity	7,470.570	924.570	6,771.521
DEFERRED LIABILITIES			
Deferred Taxation	532.981	532.981	532.981
Employees Retirement Benefits	2,882.575	3,232.500	3,557.500
Deferred Credit	6,588.780	7,920.500	8,248.000
LONG TERM LIABILITIES			
Long Term Loans	2,515.831	16,925.000	16,570.000
Security Deposits	1,173.677	1,319.500	1,700.000
CURRENT LIABILITIES			
Creditors, Accrued & Other Liabilities	14,576.084	15,018.949	14,911.000
Provision for taxation	54.378	5.000	443.484
	14,630.462	15,023.949	15,354.484
Total Capital and Liabilities	35,794.876	45,879.131	52,734.616

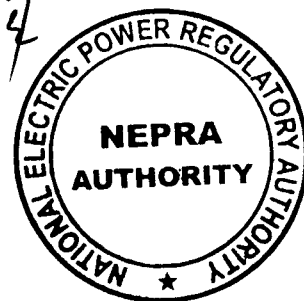


ISLAMABAD ELECTRIC SUPPLY COMPANY

CASH FLOW STATEMENT

Rupees in Million

	Audited FY07	Unaudited FY08	Projected FY09
Cash Flow From Operating Activities			
Profit / (Loss) for the year	1,517.343	(6,546.000)	782.432
Adjustments for non-cash charges and other items:			
Depreciation	742.348	880.450	988.000
Provision for employees' retirement benefits & other provision	364.131	600.000	600.000
Provision for WPPF	-	-	41.181
bad debts written off			
Provision for Obsolete Stores & Spares	45.487	-	-
Amortization of Deferred cost/Prov. for impairment on capital assets	229.475	-	-
Amortization of Deferred credit	(330.843)	(391.000)	(417.000)
Prior Year Adjustment			5,064.519
Financial Charges	357.792	315.000	719.000
Provision for Taxation	-	5.000	443.484
Cash Flow From Operating Activities Before Adjustment for Working Capital	2,925.732	(5,136.550)	8,221.615
(Increase)/Decrease in Current Assets			
Stores, spares and loose tools	(610.185)	70.495	68.000
Trade debts	(2,046.510)	768.584	(1,546.000)
Loans, advances, deposits and other receivables	1,324.316	(12,218.604)	(312.000)
Total Adjustments	(1,332.379)	(11,379.525)	(1,790.000)
Increase/(Decrease) in current liabilities			
Creditors	41.418	-	-
Due to WAPDA & Associated undertakings	1,764.764	-	-
Accrued Liabilities	85.935	-	-
Other liabilities	361.019	442.865	(149.130)
	2,253.135	442.865	(149.130)
Effect on Cash Flows due to Working Capital Changes	920.756	(10,936.659)	(1,939.130)
Cash (used in)/Generated From Operating Activities	3,846.488	(16,073.209)	6,282.485
Receipts against deposits works	3,331.868	1,722.720	744.500
Pension Obligation Paid	(212.551)	(250.000)	(275.000)
Tax Paid	-	(54.378)	(5.000)
Financial Charges Paid	(352.970)	(315.000)	(719.000)
Net Cash Flows From Operating Activities	6,612.835	(14,969.868)	6,027.985
Cash Flows From Investing Activities			
Capital Expenditure	(2,734.428)	(3,909.000)	(2,294.000)
Long term Deposits	(0.003)	0.126	-
Long term loans and Advances	0.656	(3.107)	(4.000)
Net Cash Flows From Investing Activities	(2,733.774)	(3,911.981)	(2,298.000)
Cash Flows From Financing			
Long-term loan	114.850	14,409.169	(355.000)
Increase in deposit for issue of shares			
Security Deposits Received	137.362	145.823	380.500
	252.213	14,554.992	25.500
Net (Decrease)/Increase in Cash & Bank Balances	4,131.274	(4,326.857)	3,755.485
Cash and Bank Balances at Beginning of the year	1,783.644	5,914.918	1,588.061
Cash & Bank Balances at the end of the year	5,914.918	1,588.061	5,343.546



SCHEDULE OF ELECTRICITY TARIFFS FOR ISLAMABAD ELECTRIC SUPPLY COMPANY (IESCO)

A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
a)	For Sanctioned load less than 5 kW			
i	Up to 50 Units	-		1.60
	For Consumption exceeding 50 Units			
ii	1- 100 Units	-		3.75
iii	1- 300 Units	-		6.00
iv	1- 700 Units	-		8.50
v	Above 700 Units	-		10.00
b)	For Sanctioned load 5 kW & above	-		
			Peak	Off-Peak
	Time Of Use	-	12.00	7.00

Under tariff A-1, there shall be minimum monthly customer charge at the following rates even if no energy is consumed.

a) Single Phase Connections:

Rs. 75/- per consumer per month

b) Three Phase Connections:

Rs. 150/- per consumer per month

A-2 GENERAL SUPPLY TARIFF - COMMERCIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
a)	For Sanctioned load less than 5 kW			10.50
b)	For Sanctioned load 5 kW & above	315.00		8.00
			Peak	Off-Peak
c)	Time Of Use	315.00	12.00	6.00

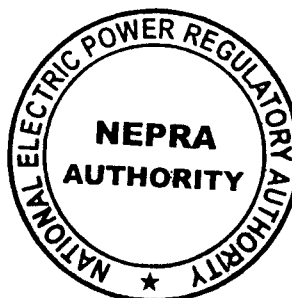
Under tariff A-2, there shall be minimum monthly charges at the following rates even if no energy is consumed.

a) Single Phase Connections;

Rs. 175/- per consumer per month

b) Three Phase Connections:

Rs. 350/- per consumer per month



**SCHEDULE OF ELECTRICITY TARIFFS
FOR ISLAMABAD ELECTRIC SUPPLY COMPANY (IESCO)**

B INDUSTRIAL SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
B1	Less than 5 kW (at 400/230 Volts)	-		7.50
B2(a)	5-500 kW (at 400 Volts)	315.00		6.50
	Time Of Use			
B2(b)	5-500 kW (at 400 Volts)	315.00	12.00	6.00
B3	For All Loads up to 5000 kW (at 11,33 kV)	305.00	11.90	5.90
B4	For All Loads (at 66,132 kV & above)	295.00	11.80	5.80

For B1 consumers there shall be a fixed minimum charge of Rs. 350 per month.

For B2 consumers there shall be a fixed minimum charge of Rs. 2,000 per month.

For B3 consumers there shall be a fixed minimum charge of Rs. 50,000 per month.

For B4 consumers there shall be a fixed minimum charge of Rs. 500,000 per month.

**C - SINGLE-POINT SUPPLY FOR PURCHASE IN BULK BY A DISTRIBUTION LICENSEE
AND MIXED LOAD CONSUMERS NOT FALLING IN ANY OTHER CONSUMER CLASS**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
C -1	For supply at 400/230 Volts			
a)	Sanctioned load less than 5 kW	-		8.00
b)	Sanctioned load 5 kW & up to 500 kW	315.00		7.50
C -2(a)	For supply at 11,33 kV up to and including 5000 kW	305.00		7.40
C -3(a)	For supply at 66 kV & above and sanctioned load above 5000 kW	295.00		7.30
	Time Of Use			
C -1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	315.00	12.00	6.00
C -2(b)	For supply at 11,33 kV up to and including 5000 kW	305.00	11.90	5.90
C -3(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	295.00	11.80	5.80



**SCHEDULE OF ELECTRICITY TARIFFS
FOR ISLAMABAD ELECTRIC SUPPLY COMPANY (IESCO)**

D - AGRICULTURE TARIFF

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
D-1(a)	SCARP less than 5 kW	-		7.50
D-2	Agricultural Tube Wells	90.00		4
			Peak	Off-Peak
D-1(b)	SCARP and Agricultural 5 kW & above	315.00	12.00	3.75

Note:- The consumers having sanctioned load less than 5 kW can opt for TOU metering.

E - TEMPORARY SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh
E-1(i)	Residential Supply	-	10.00
E-1(ii)	Commercial Supply	-	10.50
E-2	Industrial Supply	-	7.50

For the categories of E-1(i&ii) above, the minimum bill of the consumers shall be Rs. 50/- per day subject to a minimum of Rs.500/- for the entire period of supply, even if no energy is consumed.

F - SEASONAL INDUSTRIAL SUPPLY TARIFF

125% of relevant industrial tariff

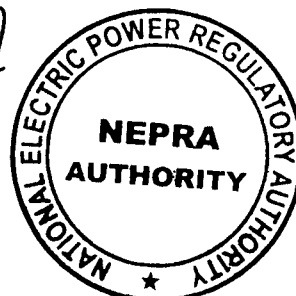
Note:

Tariff-F consumers will have the option to convert to Regular Tariff and vice versa. This option can be exercised at the time of a new connection or at the beginning of the season. Once exercised, the option remains in force for at least one year.

G- PUBLIC LIGHTING

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh
	Street Lighting	-	10.50

Under Tariff G, there shall be a minimum monthly charge of Rs.500/- per month per kW of lamp capacity installed.



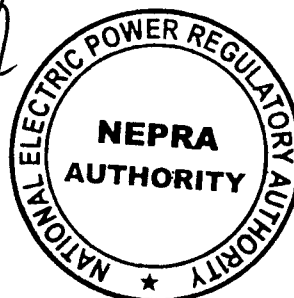
**SCHEDULE OF ELECTRICITY TARIFFS
FOR ISLAMABAD ELECTRIC SUPPLY COMPANY (IESCO)**

H - RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES
		Rs/kW/M	Rs/kWh
	Residential Colonies attached to industrial premises	-	10.00

K - SPECIAL CONTRACTS

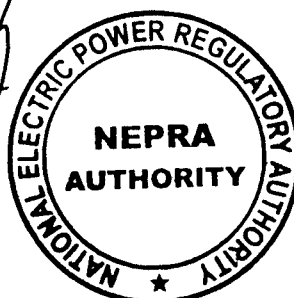
Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
1	Azad Jammu & Kashmir (AJK) Time Of Use	295.00	7.00	
		295.00	Peak	Off-Peak
			11.80	5.80
2	Rawat Lab		7.50	



ISLAMABAD ELECTRIC SUPPLY COMPANY (IESCO)

RATES OF SECURITY DEPOSITS

Sr. No	Category	Security Rates
	General Supply Tariff A-1	
1	a) S/Phase Urban	Rs.1200/-
	b) S/Phase Rural	Rs.800/-
	l) 3 Phase supply	Rs.4500/- Plus Rs.1500/Kw for load>5Kw
2	General Supply Tariff A-2	
	a) S/Phase Urban	Rs. 2100/-
	b) S/Phase Rural	Rs.1500/-
	II) 3 Phase Supply	Rs.16000/- Plus Rs.3100/Kw for load>5Kw
	Industrial Supply Tariffs	
3	B-1 (400 volts)	Rs.1500/KW subject to a min of Rs.30000/
4	B-2 (400 volts)	Rs.2200/KW
5	B-3 (11/33 KV)	Rs.4300/KW
6	B-4 (66/132/220 KV)	Rs.3900/KW
	Bulk Supply Tariffs)	
7	C-1	Rs.2500/KW subject to a min of Rs.50000/
8	C-2	Rs.2500/KW
9	C-3	Rs.4100/KW
	Agricultural Supply Tariffs	
10	D-1(a) Scarp T/wells	Rs.16000/-
11	D-2 Agri. T/wells	Rs.8000/-
12	D-1(b) Scarp and Agri T/wells more than 5 KW	Minimum of Relevant Tariff Plus Rs.2100/KW for load>5 kW
13	F (Seasonal)	Double the rates of regular Industrial Tariff.
14	G (Public Lighting)	Rs.2700/KW
15	H (Indust. Res. Colonies)	Rs.3000/KW
16	I (Railway Traction)	
17	J (Cogeneration)	
	Total	



TERMS AND CONDITIONS OF TARIFF
(FOR SUPPLY OF ELECTRIC POWER TO CONSUMERS BY DISTRIBUTION LICENSEES)

PART – I

GENERAL DEFINITIONS

The Company, for the purposes of these terms and conditions means Islamabad Electric Supply Company (IESCO) engaged in the business of distribution of electricity within the territory mentioned in the licence granted to it for this purpose.

1. "Month or Billing Period", unless otherwise defined for any particular tariff category, means a billing month of 30 days or less reckoned from the date of last meter reading.
2. "Minimum Charge", means a charge to recover the costs for providing customer service to consumers even if no energy is consumed during the month.
3. "Fixed Charge" means the part of sale rate in a two-part tariff to be recovered on the basis of "Billing Demand" in kilowatt on monthly basis.
4. "Billing Demand" means the highest of maximum demand recorded in a month except in the case of agriculture tariff D2 where "Billing Demand" shall mean the sanctioned load.
5. "Variable Charge" means the sale rate per kilowatt-hour (kWh) as a single rate or part of a two-part tariff applicable to the actual kWh consumed by the consumer during a billing period.
6. "Maximum Demand" where applicable, means the maximum of the demand obtained in any month measured over successive periods each of 30 minutes duration except in the case of consumption related to Arc Furnaces, where "Maximum Demand" shall mean the maximum of the demand obtained in any month measured over successive periods each of 15 minutes duration.
7. "Sanctioned Load" where applicable means the load in kilowatt as applied for by the consumer and allowed/authorized by the Company for usage by the consumer.
8. "Power Factor" means the ratio of kWh to KVAh recorded during the month or the ratio of kWh to the square root of sum of square of kWh and kVARh,.
9. Point of supply means metering point where electricity is delivered to the consumer.
10. Peak and Off Peak hours for the application of Time Of Use (TOU) Tariff shall be the following time periods in a day:

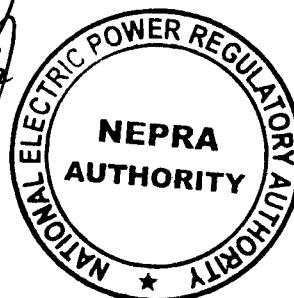
*** PEAK TIMING**

Dec to Feb (inclusive) 5 PM to 9 PM
Mar to May (inclusive) 6 PM to 10 PM
Jun to Aug (inclusive) 7 PM to 11 PM
Sept to Nov (inclusive) 6 PM to 10 PM

OFF-PEAK TIMING

Remaining 20 hours of the day
-do-
-do-
-do-

* To be duly adjusted in case of day light time saving



11. "Supply", means the supply for single-phase/three-phase appliances inclusive of both general and motive loads subject to the conditions that in case of connected or sanctioned load exceeding 4kW supply shall be given at three-phase.
12. "Consumer" means a person or his successor-in-interest as defined under Section 2(iv) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).
13. "Charitable Institution" means an institution, which works for the general welfare of the public on no profit basis and is registered with the Federal or Provincial Government as such and has been issued tax exemption certificate by Federal Board of Revenue (FBR).
14. NTDC means the National Transmission and Dispatch Company.
15. CPPA means Central Power Purchasing Agency (CPPA).
16. The "Authority" means "The National Electric Power Regulatory Authority (NEPRA)" constituted under the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).

GENERAL CONDITIONS

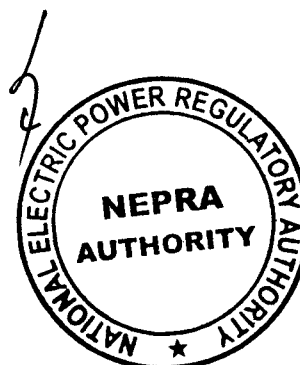
1. "The Company shall render bills to the consumers on a monthly basis or less on the specific request of a consumer for payment by the due date.
2. The Company shall ensure that bills are delivered to consumers at least seven days before the due date. If any bill is not paid by the consumer in full within the due date, a Late Payment Surcharge of 10% (ten percent) shall be levied on the amount billed excluding Govt. tax and duties etc. In case bill is not served at least seven days before the due date then late payment surcharge will be levied after 7th day from the date of delivery of bill.
3. The supply provided to the consumers shall not be available for resale.
4. In the case of two-part tariff average Power Factor of a consumer at the point of supply shall not be less than 90 percent. In the event of the said Power factor falling below 90 percent, the consumer shall pay a penalty of two percent increase in the fixed charges determined with reference to maximum demand during the month corresponding to one percent decrease in the power factor below 90 percent.

PART – II

(Definitions and Conditions for supply of power specific to each consumer category)

A-1 RESIDENTIAL AND GENERAL SERVICES

1. This Tariff is applicable for supply to;
 - i) Residences,
 - ii) Places of worship,
 - iii) Approved religious and charitable institutions,



- iv) Government and Semi-Government Offices and institutions,
 - v) Government Hospitals and Dispensaries,
 - vi) Educational institutions.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. A-1(a) tariff.
 3. All new consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangement with effect from 1st January 2009 and shall be billed on the basis of tariff A-1(b) as set out in the Schedule of Tariff.
 4. All existing consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangement and converted to A-1(b) Tariff by the Company no later than June 30, 2010.

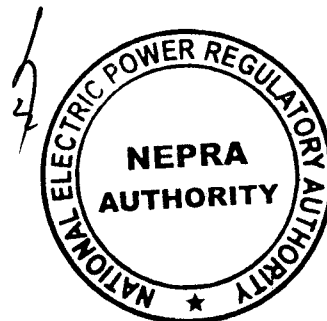
A-2 COMMERCIAL

1. This tariff is applicable for supply to commercial offices and commercial establishments such as:
 - i) Shops,
 - ii) Hotels and Restaurants,
 - iii) Petrol Pumps and Service Stations,
 - iv) Compressed Natural Gas filling stations,
 - v) Private Hospitals/Clinics/Dispensaries,
 - vi) Places of Entertainment, Cinemas, Theaters, Clubs;
 - vii) Guest Houses/Rest Houses,
 - viii) Office of Lawyers, Solicitors, Law Associates and Consultants etc.
2. Consumers under tariff A-2 having sanctioned load of less than 5 kW shall be billed under a Single-Part kWh rate A-2(a)
3. All existing consumers under tariff A-2 having sanctioned load 5 kW and above shall be billed on A-2(b) tariff till such time that they are provided T.O.U metering arrangement; thereafter such consumers shall be billed on T.O.U tariff A-2(c).
4. The existing and prospective consumers having load of 5 kW and above can opt for T.O.U metering arrangement and A-2(c) tariff.
5. All existing consumers under tariff A-2 shall be provided T.O.U metering arrangement by the Company and converted to A-2 (C) Tariff no later than June 30, 2010.
6. All new connections having load requirement 5 kW and above shall be provided T.O.U meters with effect from 1st January 2009 and shall be billed under tariff A-2(c).

B INDUSTRIAL SUPPLY

Definitions

1. "Industrial Supply" means the supply for bona fide industrial purposes in factories including the supply required for the offices and for normal working of the industry and also for water



- pumps and tube-wells operating on three phase 400 volts, other than those meant for the irrigation or reclamation of agricultural land.
2. For the purposes of application of this tariff an "Industry" means a bona fide undertaking or establishment engaged in manufacturing, value addition and/or processing of goods.
 3. This Tariff shall also be available for consumers having single-metering arrangement such as;
 - i) Poultry Farms
 - ii) Fish Hatcheries and Breeding Farms and
 - iii) Software houses

Conditions

An industrial consumer shall have the option, to switch over to seasonal tariff-F, provided his connection is seasonal in nature as defined under tariff-F, and he undertakes to abide by the terms and conditions of tariff-F and pays the difference of security deposit rates previously deposited and those applicable to tariff-F at the time of acceptance of option for seasonal tariff. Seasonal tariff will be applicable from the date of commencement of the season, as specified by the customers at the time of submitting the option for Tariff-F. Tariff-F consumers will have the option to convert to corresponding Regular Industrial Tariff category and vice versa. This option can be exercised at the time of obtaining a new connection or at the beginning of the season. Once exercised, the option will remain in force for at least one year.

B – 1 SUPPLY AT 400 VOLTS THREEPHASE AND/OR 230 VOLTS SINGLE PHASE

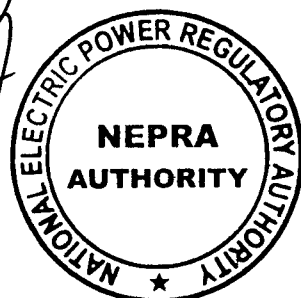
1. This tariff is applicable for supply to Industries having sanctioned load less than a 5 kW.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate.

B-2 SUPPLY AT 400 VOLTS

1. This tariff is applicable for supply to Industries having sanctioned load of 5 kW up to and including 500 kW.
2. All existing consumers under tariff B-2 shall be provided T.O.U metering arrangement by the Company and converted to B-2(b) Tariff no later than June 30, 2010.
3. All new applicants i.e prospective consumers applying for service to the Company after 31st, 2008, shall be provided T.O.U metering arrangement and charged according to the applicable T.O.U tariff.

B-3 SUPPLY AT 11 kV AND 33 kV

1. This tariff is applicable for supply to Industries having sanctioned load of more than 500 kW up to and including 5000 kW and also for Industries having sanctioned load of 500 kW or below who opt for receiving supply at 11 kV or 33 kV.



2. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.
3. The supply under this Tariff shall not be available to a prospective consumer unless he provides, to the satisfaction and approval of the Company, his own Transformer, Circuit Breakers and other necessary equipment as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively pays to the Company for all apparatus and equipment if so provided and installed by the Company. The recovery of the cost of service connection shall be regulated by the NEPRA eligibility criteria.
4. All B-3 Industrial Consumers shall be billed on the basis of T.O.U tariff given in the Schedule of Tariff.

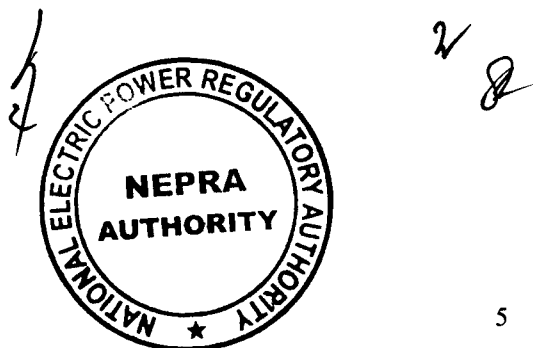
B-4 SUPPLY AT 66 kV, 132 kV AND ABOVE

1. This tariff is applicable for supply to Industries for all loads of more than 5000 kW receiving supply at 66 kV, 132 kV and above and also for Industries having load of 5000 kW or below who opt to receive supply at 66 kV or 132 kV and above.
2. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.
3. If the Grid Station required for provision of supply falls within the purview of the dedicated system under the NEPRA Eligibility Criteria, the supply under this Tariff shall not be available to such a prospective consumer unless he provides, to the satisfaction and approval of the Company, an independent grid station of his own including Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively, pays to the Company for all such Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus if so provided and installed by the Company. The recovery of cost of service connection shall be regulated by NEPRA Eligibility Criteria.
4. All B-4 Industrial Consumers shall be billed on the basis of two-part T.O.U tariff.

C SINGLE-POINT (SINGLE-METERING) SUPPLY

“Single-Point Supply” for the purpose of this Tariff, means the supply given at one point:

- i) To a licensee converted from a bulk supply status (who was procuring power from IESCO as a consumer prior to grant of license to IESCO) for the purpose of further distribution within its respective exclusive territory and jurisdiction.
- ii) To a mix-load consumer not reselling to any other consumer such as residential, commercial, tube-well and others.



General Conditions

1. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice will be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days the fixed charges shall be assessed on proportionate basis for actual number of days between the date of old reading and the new reading.

C-1 SUPPLY AT 400/230 VOLTS

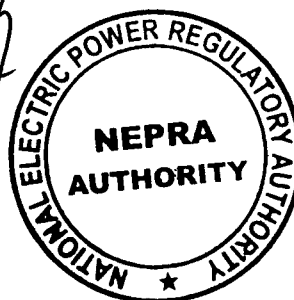
1. This Tariff is applicable to a consumer having mix-load at a single metering arrangement at 400 volts, having sanctioned load of up to and including 500 kW.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. C-1(a) tariff.
3. All new consumers having sanctioned load 5 kW and above shall be provided TOU metering arrangement with effect from 1st January 2009 and shall be billed on the basis of Time-of-Use (T.O.U) tariff C-1(c) given in the Schedule of Tariff.
4. All the existing consumers governed by this tariff having sanctioned load 5 kW and above shall be provided T.O.U metering arrangements by June 30th 2010.

C-2 SUPPLY AT 11 kV AND 33 kV

1. This tariff is applicable to consumers receiving supply at 11 kV or 33 kV at one-point metering arrangement and having sanctioned load of up to and including 5000 kW.
2. The supply under this Tariff shall not be available to a prospective consumer unless he provides, to the satisfaction and approval of the Company, his own Transformer, Circuit Breakers and other necessary equipment as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively pays to the Company for all apparatus and equipment if so provided and installed by the Company. The recovery of the cost of service connection shall be regulated by the NEPRA eligibility criteria.
3. All new consumers shall be provided TOU metering arrangement with effect from 1st January 2009 and shall be billed on the basis of tariff C-2(b) as set out in the Schedule of Tariff.
4. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to C-2(b) by June 30th 2010.

C-3 SUPPLY AT 66 kV AND ABOVE

1. This tariff is applicable to consumers having sanctioned load of more than 5000 kW receiving supply at 66 kV and above.
2. If the Grid Station required for provision of supply falls within the purview of the dedicated system under the NEPRA Eligibility Criteria, the supply under this Tariff shall not be available to such a prospective consumer unless he provides, to the satisfaction and approval



of the Company, an independent grid station of his own including Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively, pays to the Company for all such Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus if so provided and installed by the Company. The recovery of cost of service connection shall be regulated by NEPRA Eligibility Criteria.

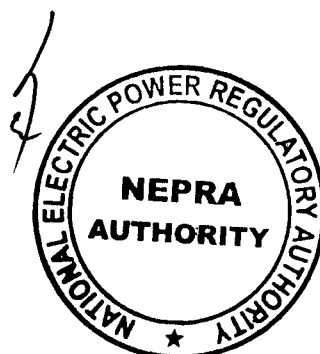
3. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to C-3(b) by June 30, 2010.
4. All new consumers shall be provided TOU metering arrangement with effect from 1st January 2009 and shall be billed on the basis of tariff C-3(b) as set out in the Schedule of Tariff.

D AGRICULTURAL SUPPLY

“Agricultural Supply” means the supply for Lift Irrigation Pumps and/or pumps installed on Tube-wells intended solely for irrigation or reclamation of agricultural land or forests, and include supply for lighting of the tube-well chamber.

Special Conditions of Supply

1. This tariff shall apply to:
 - i) Reclamation and Drainage Operation under Salinity Control and Reclamation Projects (SCARP).
 - ii) Bonafide forests, agricultural tube-wells and lift irrigation pumps for the irrigation of agricultural land.
 - iii) Tube-wells meant for aqua-culture, viz. fish farms, fish hatcheries and fish nurseries.
 - iv) Tube-wells installed in a dairy farm meant for cultivating crops as fodder and for upkeep of cattle.
2. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.
3. The lamps and fans consumption in the residential quarters, if any, attached to the tube-wells shall be charged entirely under Tariff A-1 for which separate metering arrangements should be installed.
4. The supply under this Tariff shall not be available to consumer using pumps for the irrigation of parks, meadows, gardens, orchards, attached to and forming part of the residential, commercial or industrial premises in which case the corresponding Tariff A-1, A-2 or Industrial Tariff B-1, B-2 shall be respectively applicable.



D – 1 (a)

1. This tariff is applicable to all Reclamation and Drainage Operation pumping under SCARP related installation having sanctioned load of less than 5 kW.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. D-1(a) tariff given in the Schedule of Tariff.

D – 1 (b)

1. This tariff is applicable to all Reclamation and Drainage Operation pumping under SCARP related installation and other consumers falling under Agriculture Supply having sanctioned load of 5 kW and above.
2. All new consumers having sanctioned load 5 kW and above shall be provided TOU metering arrangement with effect from 1st January 2009 and shall be charged on the basis of Time-of-Use (T.O.U) tariff D-1(b) given in the Schedule of Tariff.
3. All the existing consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangements by June 30, 2010 and shall be governed by D-1(a) till that time.

D – 2

1. This tariff is applicable to consumers falling under Agriculture Supply having sanctioned load less than 5 kW excluding SCARP related installations.
2. The fixed charges under this Tariff shall be recovered on the basis of sanctioned load in kilowatt as the billing demand and such charges will be applicable even if no energy is consumed during a month.

E – 1 TEMPORARY RESIDENTIAL/COMMERCIAL SUPPLY

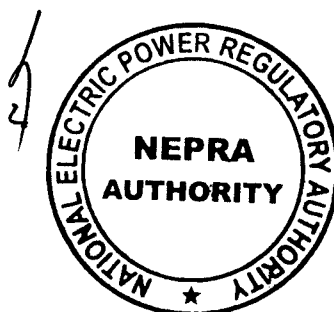
Temporary Residential/Commercial Supply means a supply given to persons temporarily on special occasions such as ceremonial, religious gatherings, festivals, fairs, marriages and other civil or military functions. This also includes supply to touring cinemas and persons engaged in construction works for all kinds of single phase loads. For connected load exceeding 4 kW, supply may be given at 400 volts (3 phase) to allow a balanced distribution of load on the 3 phases. Normally, temporary connections shall be allowed for a period of 3 months which can be extended on three months basis subject to clearance of outstanding dues.

Special Conditions of Supply

1. This tariff shall apply to Residential and Commercial consumers for temporary supply.
2. Ordinarily the supply under this Tariff shall not be given by the Company without first obtaining security equal to the anticipated supply charges and other miscellaneous charges for the period of temporary supply.

E – 2 TEMPORARY INDUSTRIAL SUPPLY

“Temporary Industrial Supply” means the supply given to an Industry for the bonafide purposes mentioned under the respective definitions of “Industrial Supply”, during the construction phase prior to the commercial operation of the Industrial concern.



Special Conditions Of Supply

1. Ordinarily the supply under this Tariff shall not be given by the Company without first obtaining security equal to the anticipated supply charges and other miscellaneous charges for the period of temporary supply.
2. Normally, temporary connections shall be allowed for a period of 3 months, which may be extended on three months basis subject to clearance of outstanding dues.

F SEASONAL INDUSTRIAL SUPPLY

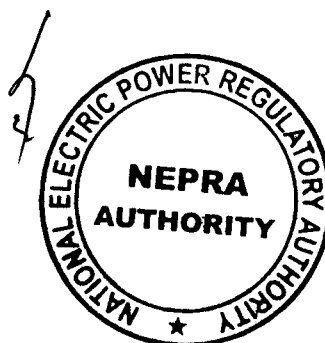
“Seasonal Industry” for the purpose of application of this Tariff, means an industry which works only for part of the year to meet demand for goods or services arising during a particular season of the year. However, any seasonal industry running in combination with one or more seasonal industries, against one connection, in a manner that the former works in one season while the latter works in the other season (thus running throughout the year) will not be classified as a seasonal industry for the purpose of the application of this Tariff.

Definitions

1. “Year” means any period comprising twelve consecutive months.
2. All “Definitions” and “Special Conditions of Supply” as laid down under the corresponding Industrial Tariffs shall also form part of this Tariff so far as they may be relevant.

Special Conditions of Supply

1. This tariff is applicable to seasonal industry.
2. Fixed Charges per kilowatt per month under this tariff shall be levied at the rate of 125% of the corresponding regular Industrial Supply Tariff Rates and shall be recovered only for the period that the seasonal industry actually runs subject to minimum period of six consecutive months during any twelve consecutive months. The condition for recovery of Fixed Charges for a minimum period of six months shall not, however, apply to the seasonal industries, which are connected to the Company’s Supply System for the first time during the course of a season.
3. The consumers falling within the purview of this Tariff shall have the option to change over to the corresponding Industrial Supply Tariff, provided they undertake to abide by all the conditions and restrictions, which may, from time to time, be prescribed as an integral part of those Tariffs. The consumers under this Tariff will have the option to convert to Regular Tariff and vice versa. This option can be exercised at the time of obtaining a new connection or at the beginning of the season. Once exercised, the option will remain in force for at least one year.
4. All seasonal loads shall be disconnected from the Company’s Supply System at the end of the season, specified by the consumer at the time of getting connection, for which the supply is given. In case, however, a consumer requires running the non-seasonal part of his load (e.g., lights, fans, tube-wells, etc.) throughout the year, he shall have to bring out separate circuits for such load so as to enable installation of separate meters for each type of load and charging the same at the relevant Tariff.



5. Where a "Seasonal Supply" consumer does not come forward to have his seasonal industry re-connected with the Company's Supply System in any ensuing season, the service line and equipment belonging to the Company and installed at his premises shall be removed after expiry of 60 days of the date of commencement of the season previously specified by the consumer at the time of his obtaining new connection/re-connection. However, at least ten clear days notice in writing under registered post shall be necessary to be given to the consumer before removal of service line and equipment from his premises as aforesaid, to enable him to decide about the retention of connection or otherwise. No Supply Charges shall be recovered from a disconnected seasonal consumer for any season during which he does not come forward to have his seasonal industry re-connected with the Company's Supply System.

G PUBLIC LIGHTING SUPPLY

"Public Lighting Supply" means the supply for the purpose of illuminating public lamps.

Definitions

"Month" means a calendar month or a part thereof in excess of 15 days.

Special Conditions of Supply

The supply under this Tariff shall be used exclusively for public lighting installed on roads or premises used by General Public.

H RESIDENTIAL COLONIES ATTACHED TO INDUSTRIES

This tariff is applicable for one-point-supply to residential colonies attached to the industrial supply consumers having their own distribution facilities.

Definitions

"One Point Supply", for the purpose of this Tariff, means the supply given at one point to Industrial Supply Consumers for general and domestic consumption in the residential colonies attached to their factory premises for a load of 5 kilowatts and above. The purpose is further distribution to various persons residing in the attached residential colonies and also for perimeter lighting in the attached residential colonies.

"General and Domestic Consumption", for the purpose of this Tariff, means consumption for lamps, fans, domestic applications, including heaters, cookers, radiators, air-conditioners, refrigerators and domestic tube-wells.

"Residential Colony" attached to the Industrial Supply Consumer, means a group of houses annexed with the factory premises constructed solely for residential purpose of the bonafide employees of the factory, the establishment or the factory owners or partners, etc.

Special Conditions of Supply

The supply under this Tariff shall not be available to persons who meet a part of their requirements from a separate source of supply at their premises.

