



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/TRF-251/QESCO-2013/6131-6133
June 12, 2014

Subject: Decision of the Authority in the matter of Motion for Leave for Review filed by Quetta Electric Supply Company Ltd. (QESCO) against the Tariff Determination of the Authority dated January 27, 2014 [Case # NEPRA/TRF-251/QESCO-2013]

Dear Sir,

In continuation of this office letter No. NEPRA/TRF-251/QESCO-2013/924-926 dated January 27, 2014 whereby Determination of the Authority in the matter of petition filed by QESCO for Determination of its consumer-end tariff pertaining to FY 2013-14 was sent to the Federal Government for notification in the official Gazette.

2. Please find enclosed herewith the decision of the Authority along with Annex-II & III (07 pages) in the matter of Motion for Leave for Review filed by Quetta Electric Supply Company Ltd. against NEPRA's determination dated 27.01.2014 in Case No. NEPRA/TRF-251/QESCO-2013.

3. The Decision of the Authority is being intimated to the Federal Government for the purpose of notification in the official Gazette pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997) read with Rule 16(11) of the National Electric Power Regulatory Authority Tariff (Standards and Procedure) Rules, 1998.

4. Please be informed that the Annex-III (Schedule of Electricity Tariffs), earlier intimated vide Determination dated 27.01.2014 stands modified/amended to the extent as detailed in the Annex-III (Schedule of Electricity Tariffs) of the subject Authority's decision and needs to be notified in the official Gazette.

Enclosure: As above

(Syed Safer Hussain)

Secretary
Ministry of Water & Power
'A' Block, Pak Secretariat
Islamabad

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.



**DECISION OF THE AUTHORITY IN THE MATTER OF MOTION FOR LEAVE
FOR REVIEW FILED BY QUETTA ELECTRIC SUPPLY COMPANY (QESCO)
AGAINST THE TARIFF DETERMINATION OF THE AUTHORITY DATED
JANUARY 27, 2014**

1. Background

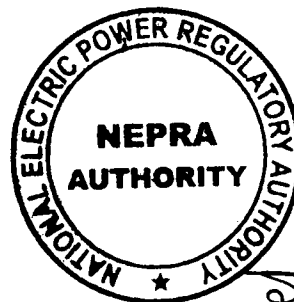
- 1.1 Quetta Electric Supply Company Limited (QESCO), hereinafter called "the Petitioner", filed a motion for leave for review on 6th February 2014 against the Authority's decision dated January 27, 2014 pertaining to the determination of consumer-end tariff for the FY 2013-14. The motion for review was filed to the extent of the assessment of T&D losses for the FY 2013-14.

2 Proceedings

- 2.1 The Petitioner and the concerned parties were given chance of hearing on 11th March, 2014. The same was re-scheduled by the Authority for 25th March, 2014 at NEPRA's Head Office. During the hearing, the Petitioner was represented by their Chief Executive Officer along with financial and technical team.

3 T&D Losses

- 3.1 The Petitioner requested that T&D losses may be assessed as 18% against the determined T&D losses of 15% for the FY 2013-14. The Authority while assessing the target of 15% showed its discomfort on the continuous failure of the Petitioner with respect to improving its state of affairs. A major reason for relying on the PDIP's audit and MEPCO's study of T&D losses was the non availability of the study of T&D losses. Here it is pertinent to mention that the Authority approved the TOR's of the study on 12th November, 2012. In view thereof, the Authority decided to consider the study of PDIP and MEPCO for the assessment of T&D losses pertaining to the FY 13-14.
- 3.2 The Petitioner submitted that its investments made under the head of ELR only provide it room for maintaining the current level of losses as it's network is very lengthy and scattered. It was further submitted that the work on two transmission lines of 220 KV i.e. Dadu – Khuzdar and DG Khan – Loralai is in progress. Once it is complete, the technical losses would decrease accordingly.
- 3.3 In order to substantiate its case the Petitioner also presented the figures of actual T&D losses for the period starting from July, 2103 to December, 2013, which on accumulated basis showed an overall figure of 25.38%. The Petitioner contented that keeping in view the actual results of six months the target set by the Authority appears to be unachievable.





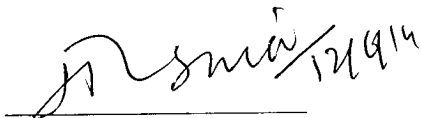
3.4 The Petitioner stated that law and order situation of the Baluchistan is creating problem in collection and control of losses. The Petitioner submitted that there are hard areas which are no go areas and are major cause of higher T&D losses and receivables. The Petitioner also pointed out the it is unable to carry allowed investments by the Authority due to liquidity constraints. One of the major reason had been the non collection of electricity dues from the agriculture consumers.

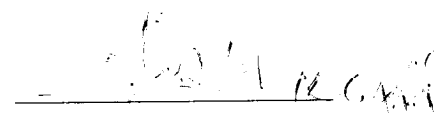
3.8 The Authority after careful consideration of the Petitioner's arguments is of the view that although the Authority's decision dated 27th January , 2014 on the issue of assessment of T&D losses, was a well considered decision, however , after hearing Petitioner's arguments has decided that some cushion of law and order situation must be allowed to the Petitioner. Here it pertinent to mention that the initial assessment of 15% also included a margin of administrative losses , which was to the extent of 0.5% only. The Authority considers that the same must be enhanced to a realistic level. In view thereof , the Authority has decided to assess the level of T&D losses of the Petitioner as 18.00 % for the FY 13-14. The said target includes 14.50% as technical loss and 3.5% as cushion for law and order situation. The Authority at the same time directs the Petitioner to expedite the study of T&D losses and submit complete report as soon as possible. Based on the findings of the study the Authority may consider revising the assessed target on prospective basis.

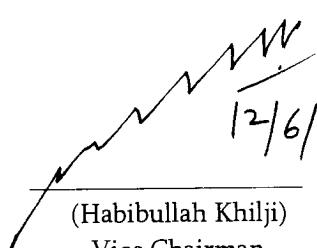
4. Decision

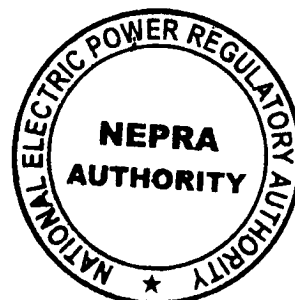
4.1 Having heard the Petitioner in support of its review petition, the Authority has decided to reassess the level of T&D losses for the FY 2013-14 to 18% from the initial assessment of 15%.


AUTHORITY


(Major (R) Haroon Rashid)
Member


(Khawaja Muhammed Naeem)
Member


(Habibullah Khilji)
Vice Chairman

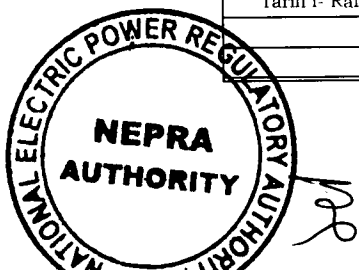



12.06.14

Quetta Electric Supply Company (QESCO)
Estimated Sales Revenue on the Basis of New Tariff

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Description	Sales GWh	Sales Mix	Tariff (NEPRA)		Revenue (as per NEPRA)		
			Fixed Charge Rs./kW/ Month	Variable Charge Rs./ kWh	Fixed Charge Rs.Million	Variable Charge Rs.Million	Total Rs. Million
Residential							
Up to 50 Units	16	0.37%		4.00	-	62	62
For peak load requirement less than 5 kW							
01-100 Units	275	6.62%		10.50	-	2,887	2,887
101-300 Units	97	2.34%		12.50	-	1,217	1,217
301-700 Units	26	0.62%		15.00	-	387	387
Above 700 Units	90	2.16%		17.50	-	1,572	1,572
For peak load requirement 5 kW & above							
Time of Use (TOU) - Peak	2	0.04%		17.50		31	31
Time of Use (TOU) - Off-Peak	16	0.38%		11.50		184	184
Total Residential	521	12.54%				6,339	6,339
Commercial - A2							
For peak load requirement less than 5 kW	57	1.36%		17.50	-	991	991
For peak load requirement 5 kW & above							
Regular	3	0.07%	400.00	15.00	17	47	64
Time of Use (TOU) - Peak	7	0.17%		17.50		124	124
Time of Use (TOU) - Off-Peak	33	0.80%	400.00	11.50	221	382	602
Total Commercial	100	2.41%				238	1,782
Industrial							
B1	8	0.19%		14.50		112	112
B1 - TOU (Peak)	2	0.04%		17.50	-	28	28
B1 - TOU (Off-peak)	9	0.23%		11.50	-	108	108
B2	0	0.01%	400.00	14.00	1	5	6
B2 - TOU (Peak)	8	0.19%		17.50		140	140
B2 - TOU (Off-peak)	52	1.25%	400.00	11.30	119	587	706
B3 - TOU (Peak)	3	0.06%		17.50		47	47
B3 - TOU (Off-peak)	43	1.03%	380.00	11.20	43	478	521
B4 - TOU (Peak)	-	0.00%		17.50		-	-
B4 - TOU (Off-peak)	-	0.00%	360.00	11.10	-	-	-
Total Industrial	124	2.99%				1,63	1,505
Single Point Supply for further distribution							
C1(a) Supply at 400 Volts-less than 5 kW	0	0.01%		15.00	-	6	6
C1(b) Supply at 400 Volts- 5 kW &	8	0.20%	400.00	14.50	9	122	131
Time of Use (TOU) - Peak	1	0.03%		17.50		24	24
Time of Use (TOU) - Off-Peak	8	0.19%	400.00	11.50	9	88	98
C2 Supply at 11 kV	18	0.43%	380.00	14.30	25	258	282
Time of Use (TOU) - Peak	10	0.24%		17.50		171	171
Time of Use (TOU) - Off-Peak	41	1.00%	380.00	11.30	46	469	515
C3 Supply above 11 kV	-	0.00%	360.00	14.20	-	-	-
Time of Use (TOU) - Peak	-	0.00%		17.50		-	-
Time of Use (TOU) - Off-Peak	-	0.00%	360.00	11.20	-	-	-
Total Single Point Supply	87	2.10%				88	1,139
Agricultural Tube-wells - Tariff D							
Scarp	220	5.30%		14.00		3,086	3,086
Agricultural Tube-wells	3,032	72.96%	200.00	13.61	2,002	41,263	43,264
Time of Use (TOU) - Peak	5	0.11%		17.50		83	83
Time of Use (TOU) - Off-Peak	58	1.39%	200.00	11.20	41	647	688
Total Agricultural	3,315	79.77%				2,043	45,079
Public Lighting - Tariff G	8	0.18%		15.00	-	114	114
Tariff H - Residential Colonies attached to industries	0	0.00%		15.00	-	1	1
Tariff I- Railway Traction	-						
Sub-Total		0.18%				5	5
Total Revenue	4,155	100.00%				2,532.15	55,720
							58,252



**SCHEDULE OF ELECTRICITY TARIFFS
QUETTA ELECTRIC SUPPLY COMPANY LTD (QESCO)**

A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED	VARIABLE CHARGES	
		CHARGES Rs/kW/M	Rs/kWh	
a)	For Sanctioned load less than 5 kW			
i	Up to 50 Units	-	4.00	
	For Consumption exceeding 50 Units			
ii	1 - 100 Units	-	10.50	
iii	101 - 300 Units	-	12.50	
iv	301 - 700 Units	-	15.00	
v	Above 700 Units	-	17.50	
b)	For Sanctioned load 5 kW & above			
	Time Of Use	-	Peak 17.50	Off-Peak 11.50

As per the Authority's decision residential consumers will be given the benefits of only one previous Under this tariff, there shall be minimum monthly charges at the following rates even if no energy is consumed.

- a) Single Phase Connections:
b) Three Phase Connections:

Rs. 75/- per consumer per month
Rs. 150/- per consumer per month

A 2 GENERAL SUPPLY TARIFF - COMMERCIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED	VARIABLE CHARGES	
		CHARGES Rs/kW/M	Rs/kWh	
a)	For Sanctioned load less than 5 kW		17.50	
b)	For Sanctioned load 5 kW & above	400.00	15.00	
			Peak	Off-Peak
c)	Time Of Use	400.00	17.50	11.50

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

- a) Single Phase Connections;
b) Three Phase Connections:

Rs. 175/- per consumer per month
Rs. 350/- per consumer per month



**SCHEDULE OF ELECTRICITY TARIFFS
QUETTA ELECTRIC SUPPLY COMPANY LTD (QESCO)**

B INDUSTRIAL SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
B1	Upto 25 kW (at 400/230 Volts)	-	14.50	
B2(a)	exceeding 25-500 kW (at 400 Volts)	400.00	14.00	
	Time Of Use		Peak	Off-Peak
B1 (b)	Up to 25 KW		17.50	11.50
B2(b)	exceeding 25-500 kW (at 400 Volts)	400.00	17.50	11.30
B3	For All Loads up to 5000 kW (at 11,33 kV)	380.00	17.00	11.20
B4	For All Loads (at 66,132 kV & above)	360.00	17.50	11.10

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	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
C -1	For supply at 400/230 Volts			
	a) Sanctioned load less than 5 kW	-	15.00	
	b) Sanctioned load 5 kW & up to 500 kW	400.00	14.50	
C -2(a)	For supply at 11,33 kV up to and including 5000 kW	380.00	14.30	
C -3(a)	For supply at 66 kV & above and sanctioned load above 5000 kW	360.00	14.20	
	Time Of Use		Peak	Off-Peak
C -1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	400.00	17.50	11.50
C -2(b)	For supply at 11,33 kV up to and including 5000 kW	380.00	17.50	11.30
C -3(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	360.00	17.50	11.20



**SCHEDULE OF ELECTRICITY TARIFFS
QUETTA ELECTRIC SUPPLY COMPANY LTD (QESCO)**

D - AGRICULTURE TARIFF

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
D-1(a)	SCARP less than 5 kW	-	14.00	
D-2	Agricultural Tube Wells	200.00	13.61	
			Peak	Off-Peak
D-1(b)	SCARP and Agricultural 5 kW & above	200.00	17.50	11.20

Under this tariff, there shall be minimum monthly charges Rs.2,000/- per consumer per month, even if no energy is consumed.

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	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
E-1(i)	Residential Supply	-	17.50	
E-1(ii)	Commercial Supply	-	17.50	
E-2	Industrial Supply	-	14.50	

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

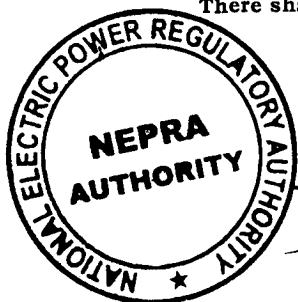
Note:

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 BUILDINGS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES
		Rs/kW/M	Rs/kWh
	Street Lighting		15.00

There shall be a minimum monthly charge of Rs.500/- per month per kW of lamp capacity installed.



SCHEDULE OF ELECTRICITY TARIFFS
QUETTA ELECTRIC SUPPLY COMPANY LTD (QESCO)
H - RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh
	Residential Colonies attached to industrial premises	-	15.00

