



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad.
Ph: +92-51-9206500, Fax: +92-51-2600026
Web: www.nepa.org.pk, E-mail: registrar@nepa.org.pk

No. NEPRA/TRF-386/18227-18229

November 20, 2018

Subject: **Decision of the Authority in the matter of Review Petition filed by Quetta Electric Supply Company Ltd. (QESCO) against its Consumer-end Tariff Determination for the FY 2017-18 dated July 6, 2018 [Case # NEPRA/TRF-386]**

Dear Sir,

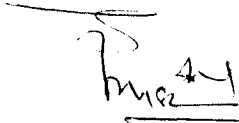
Please find enclosed herewith the subject Decision of the Authority (03 pages) in the matter of Review Petition filed by Quetta Electric Supply Company Ltd. (QESCO) against its Consumer-end Tariff Determination for the FY 2017-18 dated July 6, 2018 in Case # NEPRA/TRF-386, for information.

Enclosure: As above

Secretary
Ministry of Energy (Power Division)
'A' Block, Pak Secretariat
Islamabad

CC:

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


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(Syed Safer Hussain)

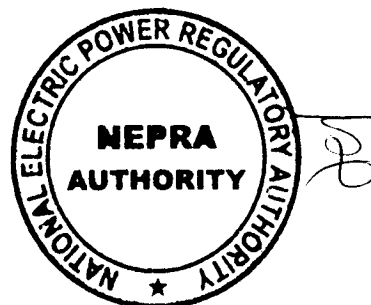
DECISION OF THE AUTHORITY IN THE MATTER OF REVIEW PETITION FILED BY QUETTA ELECTRIC SUPPLY COMPANY (QESCO) AGAINST ITS CONSUMER END TARIFF DETERMINATION FOR THE FY 2017-18 DATED JULY 06, 2018

1. Quetta Electric Supply Company Limited (QESCO), hereinafter called "the Petitioner" being a distribution licensee of NEPRA filed a review petition vide letter No.35R/CEO/FD/QESCO/Comp dated July 20, 2018 against its consumer end tariff determination by the Authority for the FY 2017-18 dated July 06, 2018.
2. The Petitioner in its review petition has requested the Authority to reconsider only the Transmission and Distribution losses to 22.7% from the allowed level of 17.5%, as evaluated by third party consultant i.e. M/s power Planner International.

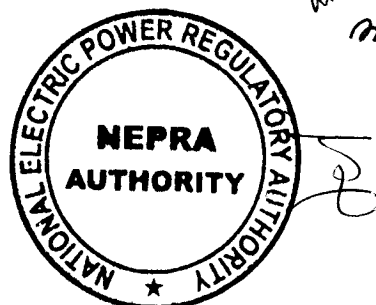
Proceedings

3. The Review petition was admitted by the Authority on August 09, 2018. In order to provide a fair opportunity to the Petitioner to present its case, the Authority decided to conduct a hearing in the matter which was scheduled on September 26, 2018 at NEPRA Tower Islamabad; notice of hearing/ admission was sent to the Petitioner. However, the same could not be held and was rescheduled for October 31, 2018. Again, due to pre-occupation of the Authority, the hearing could not be held and was rescheduled for November 01, 2018. Revised notices of hearing were also sent to the parties to the proceedings.
4. The hearing was held on November 01, 2018, wherein the Petitioner was represented by its Chief Executive Officer along-with its Technical and Financial Team.
5. Arguments heard and record perused. In support of its review petition, the Petitioner stated that to perform its obligatory duties as per NEPRA Performance Standards (Distribution) Rules 2005, the petitioner needs adequate funding. There are three main sources of funding available with petitioner.
 - (i) Internal efficiency improvements
 - (ii) Borrowings and
 - (iii) Adequate revenue through tariff.

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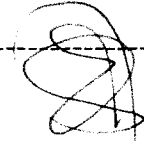
6. The Petitioner also stated that it is already a highly motivated entity towards continuous internal efficiency improvements; yet such measures require financial resources either through borrowings or adequate tariff. As per general principles of banking industry, international or local, the financial viability of borrowing organization is always taken into consideration. In short, internal financial viability of a utility is the basic to embark upon and explore other resources of funding; which can only be ensured through adequate consumer end tariff. The Petitioner also submitted that being a power distribution licensee, it earnestly feels that the existing tariff does not fulfill its liquidity and financial viability requirements and therefore, is interested in adequate consumers-end tariff applicable to its license jurisdiction area. Accordingly, the Petitioner requested to only reconsider its Transmission and Distribution losses to 22.7% for the FY 2017-18, as calculated by the third party i.e. M/s Power Planner International, whose report has already been provided to the Authority.
7. From the foregoing submissions of the Petitioner, the Authority observed that the arguments put forwarded by the Petitioner were duly considered in the tariff determination dated July 06, 2018. The instant review motion is not supported with any new information, evidence / rationale, which may form any basis for the Authority to reconsider its earlier decision in this regard. Para 7.1 to 7.10.7 of the Petitioner's determination for the FY 2017-18 dated July 06, 2018 is referred in this regard.
8. In terms of rule 16(6) of NEPRA Tariff Standards & Procedure Rules, 1998 read with regulation 3(2) of the NEPRA (Review Procedure) Regulations, 2009, a motion seeking review of any order of the Authority is competent only upon discovery of new and important matter of evidence or on account of some mistake or error apparent on the face of record. The perusal of the determination sought to be reviewed clearly indicates that all material facts and representation made were examined in detail and there is no occasion to amend the impugned determination. No error inviting indulgence as admissible in law has been pleaded out. Therefore, the Authority is convinced that the review would not result in the withdrawal or modification of its determination.
9. From what has been discussed above, the Authority is of the considered view that the grounds agitated in the motion for leave for review are not sufficient enough justifying the modification of the impugned determination, hence the petition for review is declined.

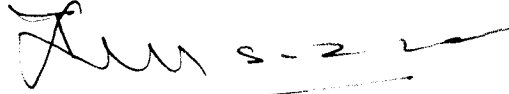


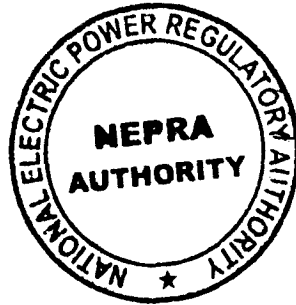


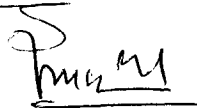
AUTHORITY


Saif Ullah Chattha
Member
19.11.2018


Rehmatullah
Vice Chairman
19/11/2018


Brig (R) Tariq Saddozai
Chairman




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