Registrar

National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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No. NEPRA/TRF-625/MEPCO-Supply/2025/ 255-62 January 07, 2026

SUBJECT: DETERMINATION OF THE AUTHORITY IN THE MATTER OF PETITION FILED BY MULTAN ELECTRIC POWER COMPANY LIMITED (MEPCO) FOR DETERMINATION OF SUPPLY TARIFF UNDER MYT REGIME FOR THE FY 2025-26 TO FY 2029-30

Please find enclosed herewith the subject Determination of the Authority alongwith Annexures (total 77 pages).

2. The Determination of the Authority, is hereby intimated to the Federal Government for filing of uniform tariff application in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997. The instant determination of the Authority along-with order part and Annexures, be also notified in terms of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, while notifying the uniform tariff application decision of the Authority.

Enclosure: As above

Wasim Anwar

(Wasim Anwar Bhinder)

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

Copy to:

1. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad
2. Mr. Shehriyar Abbasi, Deputy Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
3. Secretary, Energy Department., Government of the Punjab, 8th Floor, EFU House, Main Gulberg, Jail Road, Lahore
4. Managing Director, National Grid Company (NGC) of Pakistan, 414 WAPDA House, Shaharah-e-auid-e-Azam, Lahore
5. Chief Executive Officer, Central Power Purchasing Agency Guarantee Ltd. (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
6. Chief Executive Officer, Multan Electric Power Co. Ltd., MEPCO Headquarter, Khanewal Road, Multan
7. Chief Executive Officer, Independent System and Market Operator (ISMO) of pakistan, Pitras Bukhari Road, Sector H-8/1, Islamabad

National Electric Power Regulatory Authority
(NEPRA)

PETITION NO: NEPRA/TRF-625/MEPCO-Supply/2025

DETERMINATION OF SUPPLY TARIFF PETITION

FOR

MULTAN ELECTRIC POWER COMPANY LIMITED (MEPCO)

FOR THE FY 2025-26 – FY 2029-30

UNDER

NEPRA TARIFF (STANDARDS AND PROCEDURE) RULES - 1998

Islamabad
January 07, 2026

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
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Abbreviations

CpGenCap	The summation of the capacity cost in respect of all CpGencos for a billing period minus the amount of liquidated damages received during the months
ADB	Asian Development Bank
AMI	Advance Metering Infrastructure
AMR	Automatic Meter Reading
BoD	Board of Director
BTS	Base Transceiver Station
CAPM	Capital Asset Pricing Model
CDP	Common Delivery Point
COSS	Cost of Service Study
CPPA (G)	Central Power Purchasing Agency Guarantee Limited
CTBCM	Competitive Trading Bilateral Contract Market
CWIP	Closing Work in Progress
DIIP	Distribution Company Integrated Investment Plan
DISCO	Distribution Company
DM	Distribution Margin
DOP	Distribution of Power
ELR	Energy Loss Reduction
ERC	Energy Regulatory Commission
ERP	Enterprise resource planning
FCA	Fuel Charges Adjustment
FY	Financial Year
GIS	Geographical Information System
GOP	Government of Pakistan
GWh	Giga Watt Hours
HHU	Hand Held Unit
HT/LT	High Tension/Low Tension
HSD	High Speed Diesel
IGTDP	Integrated Generation Transmission and Distribution Plan
IESCO	Islamabad Electric Supply Company Limited
KIBOR	Karachi Inter Bank Offer Rates
KSE	Karachi Stock Exchange
KV	Kilo Volt
kW	Kilo Watt
kWh	Kilo Watt Hour
LPC	Late Payment Charges
MDI	Maximum Demand Indicator
MMBTU	One million British Thermal Units
MoWP	Ministry of Water and Power
MVA	Mega Volt Amp

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MW	Mega Watt
NEPRA	National Electric Power Regulatory Authority
NOC	Network Operation Centre
NTDC	National Transmission & Despatch Company
O&M	Operation and Maintenance
OGRA	Oil and Gas Regulatory Authority
PEPCO	Pakistan Electric Power Company
MEPCO	Multan Electric Power Company Limited
PDEIP	Power Distribution Enhancement Investment Program
PDP	Power Distribution Program
PPA	Power Purchase Agreement
PPAA	Power Procurement Agency Agreement
PPP	Power Purchase Price
PYA	Prior Year Adjustment
R&M	Repair and Maintenance
RAB	Regulatory Asset Base
RE	Rural Electrification
RFO	Residual Fuel Oil
RLNG	Re-gasified Liquefied Natural Gas
RoE	Return on Equity
RORB	Return on Rate Base
ROR	Rate of Return
SBP	State Bank of Pakistan
SOT	Schedule of Tariff
STG	Secondary Transmission Grid
SYT	Single Year Tariff
T&D	Transmission and Distribution
TFC	Term Finance Certificate
TOU	Time of Use
TOR	Term of Reference
TPM	Transfer Price Mechanism
USCF	The fixed charge part of the Use of System Charges in Rs./kW/Month
UOSC	Use of System Charges
WACC	Weighted average cost of capital
WAPDA	Water and Power Development Authority
XWDISCO	Ex-WAPDA Distribution Company

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
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DETERMINATION OF THE AUTHORITY IN THE MATTER OF PETITION FILED BY MULTAN ELECTRIC POWER COMPANY LIMITED (MEPCO) FOR DETERMINATION OF SUPPLY TARIFF UNDER MYT REGIME FOR THE FY 2025-26 TO FY 2029-30

CASE NO. NEPRA/ TRF-625/MEPCO-Supply/2025

PETITIONER

MEPCO Headquarters, Khanewal Road, Multan.

INTERVENER
NIL

COMMENTATOR
NIL

REPRESENTATION

Chief Executive Officer along-with its Technical & Financial Team

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1. **Background**

1.1. The Authority awarded a Multi-Year Tariff (MYT) to Multan Electric Power Company (MEPCO), for a period of five years commencing from 1st July 2021 till 30th June 2025. Upon expiry of the said MYT on 30.06.2025, MEPCO (hereinafter also called as "the Petitioner"), being a Distribution Licensee as well as Supplier of Last Resort, filed separate tariff petitions for the determination of its Distribution and Supply Tariff under the MYT Regime for another period of five years i.e. from FY 2025-26 to FY 2029-30, in terms of Rule 3 (1) of Tariff Standards & Procedure Rules-1998 (hereinafter referred as "Rules").

1.2. MEPCO was required to file its new MYT petitions for the Distribution and Supply functions by January 2025, in line with the NEPRA Guidelines for determination of Consumer End tariff (Methodology and Process) 2015, after incorporating therein, the approved level of investments and target of T&D losses. However, the petitions were filed with considerable delay, and were based on the requested numbers of Investment and T&D losses. MEPCO also requested the grant of interim tariff for the FY 2025-26, in order to allow for timely rebasing of consumer-end tariff effective July 1, 2025, as considerable time would be required to finalize the MYT petitions. The Authority acceded to the request of MEPCO and granted an "Interim tariff", vide decision dated 23.06.2025 for FY 2025-26, subject to adjustment and/ or refund, on the basis of the final determination of the Authority in the matter of MYT petitions of the Petitioner.

1.3. The Petitioner, inter alia, requested the following margin for its Supply of power function for the five years control period;

Supply of Power	Units	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Power Purchase Price	**Rs. Mln**	549,383	548,810	550,210	552,578	555,611
Energy Charges	Rs. Mln	178,893	178,706	179,158	179,923	180,907
Capacity Charges	Rs. Mln	342,676	342,319	343,195	344,677	346,572
Use of System Charges	Rs. Mln	27,676	27,647	27,718	27,839	27,992
Market Operator Fee	Rs. Mln	138	138	139	139	140
Distribution Business Cost	**Rs. Mln**	92,488	81,869	94,150	112,936	112,770
Supply Business Cost						
Pay & allowances	Rs. Mln	1,403	1,616	1,873	2,183	2,568
Post-retirement Benefits	Rs. Mln	1,848	1,936	2,150	2,813	2,148
Repair and Maintenance	Rs. Mln	50	56	62	69	76
Travelling expenses	Rs. Mln	247	300	359	433	527
Vehicle expenses	Rs. Mln	45	50	58	70	84
Other expense	Rs. Mln	4,063	4,516	5,010	5,560	6,170
Total O&M Costs	**Rs. Mln**	7,656	8,474	9,512	11,128	11,573
Depreciation	Rs. Mln					
Return on Rate Base	Rs. Mln					
Gross Margin	**Rs. Mln**	7,656	8,474	9,512	11,128	11,573
Net Margin	**Rs. Mln**	7,656	8,474	9,512	11,128	11,573
Prior Year Adjustment	Rs. Mln	38,959	8,648			
Total Revenue Requirement	**Rs. Mln**	688,486	647,801	653,872	676,642	679,954
Projected Sales	GWh	17,184	17,333	17,491	17,658	17,834
Requested Tariff	Rs./kWh	40.07	37.37	37.38	38.32	38.13

2. **Proceedings**

2.1. In terms of Rule 4 of the Rules, the petition was admitted by the Authority. Since the impact of any such costs claimed in the petition has to be made part of the consumer end tariff, therefore, the Authority, in order to provide an opportunity of hearing to all the concerned parties and to meet the ends of natural justice, decided to conduct a hearing in the matter.

2.2. The hearing in the matter was scheduled on November 04, 2025, for which notice of admission / hearing along-with the title and brief description of the petition was published

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

in the newspapers on 25.10.2025, and also uploaded on NEPRA website; Individual notices were also issued to stakeholders/ interested parties.

3. <u>Issues of Hearing</u>

3.1. For the purpose of the hearing, and based on the pleadings, following issues were framed for consideration during the hearing and for presenting written as well as oral evidence and arguments;

i. Whether the requested/projected Power Purchases Price (Energy & Cost) for the FY 2025-26 is justified?

ii. Whether the requested/projected O&M cost (including new/replacement hiring) is justified and what are the basis for such projections?

iii. Whether there should be any bifurcation of O&M on the basis of controllable and uncontrollable costs?

iv. Whether the requested/projected amount under heads of Other Income and PYAis justified?

v. Whether the requested PYA is justified?

vi. What will be adjustment mechanism for future indexation of different components of revenue requirement during the MYT? Whether there should any efficiency factor (X Factor) and Z-Factor?

vii. Whether there should be any fixed charges on Units exported by net metering users to the extent of Transmission and Distribution charges or otherwise?

viii. Whether the recovery target and provision for bad debt as provided in petition is justified?

ix. Whether the existing fixed charges applicable to different consumer categories needs to be revised and requires any changes in mechanism for charging of such charges based on Actual MDI or Sanction Load or otherwise? Whether there should any Fixed Charges on consumer's categories who are currently not paying any fixed charges?

x. Whether the Schedule of tariff be designed on cost-of-service basis or otherwise?

xi. Whether there will be any claw back mechanism or not?

i. Whether the concerns raised by the intervener/ commentator if any are justified?

ii. Any other issue that may come up during or after the hearing?

4. <u>Filing Of Objections/ Comments</u>

4.1. Comments/replies and filing of Intervention Request (IR), if any, were invited from the interested person/ party within 7 days of the publication of the notice of admission in terms of Rule 6, 7 and 8 of the Rules. In response no intervention request/ comments were received.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
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4.2. During the hearing, the Petitioner was represented by its Chief Executive Officer along-with its technical and financial teams.

4.3. On the basis of pleadings, evidence/record produced and arguments raised during the hearing, the issue-wise findings of the Authority are given as under;

5. <u>Whether the requested/projected Power Purchases Price (Energy & Cost) for the FY 2025-26 is justified?</u>

5.1. The Petitioner, in its petition submitted that Power Market Survey (PMS) projects a modest YoY growth in energy sales and demand; however, actual data for base year FY 2023-24 and current year FY 2024-25 reflects a decline. It was submitted that MEPCO PMS forecast 2024-34 is based on a CAGR of 0.99% (for ten years) while NTDC IGCEP 2024-34 is based on a Compound annual growth rate (CAGR) of 2.8%. MEPCO's monthly demand (MW) for FY 2024-25 up to March 2025 remained lower than that of the previous year, FY 2023-24, reflecting an average decline of 5%. A decline of 6.2% in progressive sales of MEPCO up to March 2025 compared to that of FY 2023-24 is observed. This decline is largely attributable to rapid solarization through distributed solar generation (DG), whereby consumers increasingly rely on self-generation, resulting in reduced MEPCO's grid-based sales and shifting peak demand to evening hours. While forecasts assumed growth based on expected policy developments such as reduced regulated tariffs, integration of CPPs with grid, and changes in net metering arrangements, which were anticipated to encourage self-consumption rather surplus energy exports to grid. As a result of above factors, recent data shows a slight recovery in sales (0.7%) and demand (8%) in March 2025, suggesting a potential upward trend as consumers move toward self-consumption rather than exporting electricity to MEPCO network.

Projected Increase in No. of Consumers					
Consumer Category	2025-26	2026-27	2027-28	2028-29	2029-30
Residential	553,311	591,346	631,995	675,439	721,869
Commercial	27,624	28,744	29,909	31,122	32,384
Industrial	1,428	1,461	1,494	1,527	1,563
Bulk supply	34	37	39	42	45
Agriculture	7,108	7,549	8,017	8,514	9,042
Others	145	155	166	177	190
Total	589,650	629,291	671,620	716,822	765,092

Projected Load of New Consumers					
Consumer Category	2025-26	2026-27	2027-28	2028-29	2029-30
Residential	1149.13	1245.51	1350.06	1463.47	1586.52
Commercial	117.16	125.09	133.56	142.6	152.26
Industrial	92.5	99.34	98.26	101.27	104.38
Bulk supply	9.34	9.8	10.28	10.79	11.31
Agriculture	132.44	141.34	150.85	160.99	171.82
Others	0.83	0.86	0.9	0.93	0.97
Total	1,501	1,618	1,744	1,880	2,027

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Demand Growth Projection				
F.Y.	Energy		Peak Demand	Peak Demand
	Sales		11-KV	132-KV
	(GWh)	(G.R)	(MW)	(MW)
2025-26	17,184	0.85	4,292	4,336
2026-27	17,333	0.86	4,336	4,380
2027-28	17,491	0.92	4,378	4,422
2028-29	17,658	0.95	4,423	4,467
2029-30	17,834	1	4,466	4,511

Power Purchase Price (PPP) Break-up	(Rs. In Million)				
Description	2025-26	2026-27	2027-28	2028-29	2029-30
Energy Transfer Charge	178,893	178,706	179,158	179,923	180,907
Capacity Transfer Charge	342,676	342,319	343,195	344,677	346,572
Use of System Charges (UoSC)	27,676	27,647	27,718	27,839	27,992
Market Operator Fee (MoF)	138	138	139	139	140
Power Purchase Price	**549,383**	**548,811**	**550,211**	**552,578**	**555,611**

5.2. The Petitioner during the hearing reiterated its earlier submissions.

5.3. The Authority noted that PPP is the major component of consumer-end tariff, which accounts for over 85% of total consumer-end tariff. The Authority has determined the power purchases (GWhs) along-with its cost for each of the DISCOs through a separate decision, therefore, for the purpose of instant decision, the power purchases (GWhs) of the Petitioner as per the separate PPP decision, have been taken into account.

6. <u>Whether the requested MYT for a control period of five years is justified?</u>

6.1. The Petitioner submitted that the petition has been filed in accordance with the Rule 3(1) of Part II and Rule 4(7) of the Rules 1998 and NEPRA Performance Standards (Distribution) Rules 2005. As per Rule 17 (3) (1) of the Rules, tariff should allow the licensee the recovery of any and all costs prudently incurred to meet the demonstrated needs of their consumers. The Petitioner also submitted that it has filed its investment Plan and assessment of T&D losses for a period of five years, which are presently under deliberation before the Authority.

6.2. The Authority observed the Petitioner has requested for a five years tariff control period, in line with its five years investment plan. The Authority further noted that the approval of the investment plan and assessment of T&D losses of the Petitioner for five a year period is at an advanced stage, therefore, to align the investment requirements of the Petitioner, with its tariff determination, which is a tool to incur and recover the allowed amount of investments, the Authority has decided to approve the tariff request of the Petitioner under the MYT tariff regime for a control period of five year i.e. from FY 2025-26 till FY 2029-30. The terms and conditions, given by the Authority, in the Distribution and SoLR license, as modified from time to time, of the Petitioner would be applicable during the MYT control period.

7. <u>Whether the requested/projected O&M cost (including new/replacement hiring) is justified and what are the basis for such projections?</u>

8. <u>Whether there should be any bifurcation of O&M on the basis of controllable and uncontrollable costs?</u>

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

8.1. The Petitioner submitted the following projections along-with justification for each head as under;

Operating & Maintenance Cost Break-Up				(Rs. in Millions)	
Description	2025-26	2026-27	2027-28	2028-29	2029-30
Pay & Allowances	20,899	24,077	27,902	32,516	38,256
Post-Retirement Benefits	27,536	28,845	32,026	41,901	31,999
Repair & Maintenance	2,387	2,651	2,944	3,270	3,632
Travelling Expenses	1,689	2,053	2,454	2,961	3,605
Transportation	1,116	1,239	1,453	1,728	2,078
Other Operating Expenses	1,875	2,084	2,313	2,567	2,848
Total	55,501	60,949	69,093	84,943	82,418

✓ Increase in Pay and Allowances is attributable, inter alia to annual increment, impact of promotions/up-gradations and expected annual increase/revise pay scales by the GoP during MYT control period.

Plan for Additional Hiring:

✓ MEPCO reported a staff shortfall of approximately 44.40% as of June-2024 with a working strength of 14,246 employees against a sanctioned strength of 25,656 in different cadres. The following manpower statistics as of June-2024 highlights the shortage of staff in the company:

Manpower Statistics (As of June-2024)				
Sr. No.	Categories	Sanctioned Strength	Working Strength	Vacant
1	Officers	763	514	249
2	Officials	24,883	13,732	11,151
Total		25,646	14,246	11,400

Note: 2,959 employees have been engaged through Outsourcing/Third Party Hiring.

Proposed Hiring/New Induction:

✓ MEPCO hereby proposes induction of employees against critical vacant positions as per approved yard stick as well as hiring against creation of new offices/formations as tabulated below:

Proposed Hiring/New Induction					
Description	2025-26	2026-27	2027-28	2028-29	2029-30
No. of Employees	1,821	986	885	969	1,035
Projected Annual Cost (Mil. Rs.)	1,315	1,293	1,718	2,262	2,987

Plan for Replacement Hiring:

✓ In order to reduce the acute shortage of manpower to meet the technical and operational targets, it has been proposed that 1,134 vacancies are to be filled by the Company during FY 2025-26. This recruitment will increase the first year O&M Cost by Rs.835 million. The proposed recruitment will take place in following cadres:

Replacement Hiring					
BPS	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
BPS 1 to 5	474	70	60	70	50
BPS 7	115	35	25	30	25
BPS 9	205	110	80	100	75
BPS 11	102	70	50	60	40
BPS 14	77	56	43	37	39
BPS 15	105	57	59	38	42
BPS 17	37	26	31	23	26
BPS 18	8	-	-	-	-
BPS 19	6	-	-	-	-
BPS 20	5	-	-	-	-
Total	1,134	424	348	358	297

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

Plan for Hiring Against Creation of New Offices/Formations:

- ✓ MEPCO has planned for hiring of manpower during MYT control period against Creation of Proposed New Offices/Formations as tabulated below:

New Induction against Creation of New Offices					
Description	2025-26	2026-27	2027-28	2028-29	2029-30
No. Of Employees	606	562	537	611	738
Projected Annual Cost (Mil. Rs.)	480	944	1,403	1,946	2,698

8.2. Further, 81 pending cases under in-service death quota have also been included in the proposed hiring / induction.

Pay & Allowances and Employee Benefits:

- ✓ The Pay & Allowances for FY 2025-26 have been estimated to be Rs. 22,301 Million, out of which Rs. 20,899 (M) & Rs. 1,403 (M) have been projected for Wire Business & Power Supply Business respectively. Pay & Allowances and Employee Benefits including Retirement Benefits constitute a major portion of the Company's O&M expenses.

Pay & Allowance and Employee Benefits					
Description	2025-26	2026-27	2027-28	2028-29	2029-30
Salaries, Wages & Benefits	22,301	25,693	29,775	34,698	40,824
Proj.Cost-Wire Business (Mil. Rs.)	20,899	24,077	27,902	32,516	38,256
Proj.Cost-Supply Business (Mil. Rs.)	1,403	1,616	1,873	2,183	2,568

Staff Retirement Benefits:

- ✓ The Petitioner submitted that MEPCO provides various employee benefit schemes, including a Pension Scheme, Free Electricity Scheme, Free Medical Facility Scheme and Encashment of Accumulated Compensated Absences.
- ✓ Obligations under such schemes are assessed annually by a qualified Actuarial Consultant using the Projected Unit Credit Actuarial Cost Method. Re-measurement of net defined benefit liability is recognized through Other Comprehensive Income (OCI).
- ✓ Provisions for Post-Retirement Benefits (PRB) are recognized in line with the requirements of IAS-19 based on third party Actuarial valuations conducted by Independent Actuaries, which required MEPCO to maintain funded Pension Trust Fund at par with total PRB liability. However, MEPCO could not maintain Pension Fund in accordance with PRB Liability due to the reasons that NEPRA allowed PRB only to the extent of actual payments rather than on a provision basis. The petitioner submitted that during FY 2009-09 to FY 2014-15, NEPRA allowed Pay & Allowances inclusive of Post-Retirement Benefits meaning thereby separate amount of PRB was not determined by the Authority. The detail of Pay & Allowance (including PRB) determined by NEPRA & actual Pay & Allowances / PRB Provision is given below

Pay & Allowances /PRB Actual & Determined by NEPRA (Rs. In Million)					
F.Y.	Actual			Determined by NEPRA	Less Determined
	Pay & Allowances	PRB Provision	Total		
2008-09	2,512	931	3,443	3,035	(408)
2009-10	2,674	1,759	4,433	3,490	(943)
2010-11	3,687	2,009	5,696	4,014	(1,682)
2011-12	4,467	2,527	6,994	4,616	(2,378)
2012-13	5,399	2,618	8,017	5,405	(2,612)
2013-14	5,575	3,093	8,688	6,322	(2,346)
2014-15	8,630	3,814	12,444	6,649	(5,795)
Total	32,946	16,749	49,695	33,531	(16,164)

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

- ✓ The comparison of PRB allowed by NEPRA & Actual PRB Provision recorded during FY 2015-16 to FY 2019-20 is as under:

PRB Allowed by NEPRA & Actual PRB Provision (Rs. In Million)

F.Y.	PRB Determined by NEPRA	Actual PRB Provision	Less Determined
2015-16	2,134	7,327	(5,193)
2016-17	2,461	4,930	(2,469)
2017-18	2,707	6,550	(3,843)
2018-19	4,232	8,679	(4,447)
2019-20	4,656	12,233	(7,577)
Total	16,190	39,719	(23,529)

- ✓ The Petitioner further highlighted that due to Re-measurement of PRB Liability, MEPCO charged PRB through Other Comprehensive Income (OCI) as required under IFRS-19, Detail thereof of is as under:

Table 6.12: PRB Charged to OCI

F.Y.	PRB Charged to OCI	F.Y.	PRB Charged to OCI
2008-09	3,301	2014-15	1,160
2009-10	5,732	2015-16	8,044
2010-11	9,052	2016-17	11,466
2011-12	-	2017-18	10,918
2012-13	3,084	2018-19	4,593
2013-14	1,735	2019-20	(5,674)
	Total		(53,410)

- ✓ The petitioner submitted that the foregoing explanation demonstrates that MEPCO was not provided any cushion by the Regulator to finance its Pension Fund at par with PRB Liability. In these circumstances, the Company was able to manage to credit an amount of Rs. 2,341 million to the MEPCO Employees Pension Fund up to June, 2020.
- ✓ MEPCO submitted its Multi-Year Tariff (MYT) Petition for Tariff Control Period FY 2020-21 to FY 2024-25. The Authority, for the first time, allowed PRB Provision to MEPCO on the basis of latest available Audited Financial Statements, however with a gap of 02-years i.e. provision for PRB allowed for FY 2024-25 on the basis of Audited Financial Statements for FY 2022-23. Resultantly MEPCO obligation under PRB have increased by Rs. 83,337 (M) i.e. Rs. 80,583 (M) as on June-2020 to Rs. 163,920 (M) on June-2024. The detail of PRB Allowed, Actual Expenditure and the amount transferred to Pension Fund is as under:

PRB Allowed, Actual Expenditure & Transferred to Fund (Rs. In Million)

F.Y.	Actual PRB Provision & OCI	PRB Determined	Actual PRB Paid	Amount Transferred to Pension Fund
2020-21	13,963	8,877	5,504	790
2021-22	26,876	9,765	5,795	2,065
2022-23	38,711	10,604	8,027	3,114
2023-24	37,611	10,106	8,837	5,227
2024-25 (Dec. 2024)	30,438	18,328	5,093	6,067
Total	147,599	57,680	33,256	17,263

Note: MYT was effective from July-2022 & Profit/mark-up impact also incorporated.

- ✓ Accordingly, the e Pension Fund stood at to Rs. 19,604 million as of Dec. 2024, whereas the PRB Liability recorded in the Balance Sheet as of 31st Dec. 2024 is Rs. 167,930 million reflecting a funding gap between PRB Liabilities and the assets of the pension fund.

Potential Option for Determination of PRB Provision:

- ✓ MEPCO current PRB obligation stands at Rs. 163,920 (M) as on June-2024, and the Company is unable to cater this obligation through separate fund due to insufficient cash flows. On

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NEPRA
AUTHORITY

this basis, the petitioner requested that the Authority may consider allowing PRB Provision, inclusive of re-measurement of net defined benefit liability recognized through OCI, on the basis of projected amount calculated by the Third Party (Actuarial Consultant) for respective year.

- ✓ Keeping in view the above, Provision for Post-Retirement Benefits including measurement recognized through OCI, has been projected on the basis of Actuarial Valuation Report for MYT control period FY 2025-26 to FY 2029-30 as detailed hereunder:

Post-Retirement Benefits Break-Up (PKR Millions)						
	2025-26	2026-27	2027-28	2028-29	2029-30	Total
Pension	24,863	25,791	28,529	38,592	27,494	145,269
Medical	1,651	1,787	2,015	2,141	2,241	9,835
Free Electricity	1,648	1,824	2,034	2,215	2,428	10,149
Leave encashment	1,223	1,380	1,598	1,765	1,983	7,949
Total	29,384	30,781	34,176	44,714	34,147	173,202
Cost-Wire Business	27,536	28,845	32,026	41,901	31,999	162,307
Cost-Supply Business	1,848	1,936	2,150	2,813	2,148	10,895

- ✓ NEPRA is requested to allow the amount of retirement benefits for the tariff control period subject to adjustment on actual basis.

Other Operating Expenses:

- ✓ All Other O&M Expenses have been projected @ CPI-X during the entire MYT Control Period.
- ✓ The Petitioner during the hearing presented following request;

Description	FY 2025-26 Interim Tariff	FY 2025-26 Projected	FY 2025-26 Projected Per Unit	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected
Repair & Maintenance (DOP)	2,262	2,387	0.14	2,651	2,944	3,270	3,632
Repair & Maintenance (SOP)	-	50	0	56	62	69	76
Total Repair & Maintenance	2,262	2,437	0.14	2,707	3,006	3,339	3,708
Traveling Expense (DOP)	1466	1689	0.1	2053	2454	2961	3605
Traveling Expense (SOP)	332	247	0.01	300	359	433	527
Total Travelling Expense	1,798	1,936	0.11	2,353	2,813	3,394	4,132
Transportation Expense (DOP)	754	1,116	0.06	1,239	1,453	1,728	2,078
Transportation Expense (SOP)	-	45	0	50	58	70	84
Total Transportation Expense	754	1,161	0.07	1,289	1,511	1,798	2,162
Misc. O&M Expenses (DOP)	1,091	1876	0.11	2,084	2,313	2567	2849
Misc. O&M Expenses (SOP)	2,232	4063	0.24	4516	5010	5560	6170
Total Misc. O&M Expenses	3,323	5,939	0.35	6,600	7,323	8,127	9,019
O&M Cost Excl. Employee Cost (DOP)	5,573	7,068	0.41	8,027	9,164	10,526	12,164
O&M Cost Excl. Employee Cost (SOP)	2,564	4,405	0.26	4,922	5,489	6,132	6,857
Total O&M Cost Excl. Employee Cost	8,137	11,473	0.67	12,949	14,653	16,658	19,021
Repair & Maintenance (DOP)	2,262	2,387	0.14	2,651	2,944	3,270	3,632
Repair & Maintenance (SOP)	-	50	0	55	62	69	76
Total Repair & Maintenance	2,262	2,437	0.14	2,707	3,006	3,339	3,708
Traveling Expense (DOP)	1466	1689	0.1	2053	2454	2961	3605
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O&M Cost Excl. Employee Cost (SOP)	2,564	4,405	0.26	4,922	5,489	6,132	6,857
Total O&M Cost Excl. Employee Cost	8,137	11,473	0.67	12,949	14,653	16,658	19,021
Total O&M Cost (DOP)	41,329	48,471	2.82	53,390	60,327	73,943	71,372
Total O&M Cost (SOP)	10,578	13,373	0.78	14,741	16,559	19,865	19,633
G.Total O&M Cost	51,907	61,844	3.6	68,131	76,887	93,809	91,006

- ✓ While justifying its request MEPCO submitted during the hearing following basis for projections of different components of margin for distribution and supply functions;
  - Salaries & Wages: Annual Increase @ 5% has been projected on account of annual increment, promotion & up-gradation. Adhoc Relief @ 20% projected for FY 2025-26 & @ 15% for each subsequent year of MYT control period.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

- Post Retirement Benefits: PRB Provision has been incorporated on the basis of Actuarial Valuation Report as per Projected Unit Credit (PUC) Method prescribed under IAS-19.

- With respect to Repair & Maintenance, Travelling Expense, Transportation Expense, Other O & M Expenses, the Petitioner submitted that these O&M costs have been projected based on the CPI which has been assumed at par with projected KIBOR i.e. @ 12.06% for FY 2025-26 & @ 11.06% for FY 2026-27 through FY 2029-30.

- MEPCO also submitted analysis regarding Pol prices and requested that Vehicle running expense be linked with change in fuel prices instead of CPI.

Ageing of MEPCO Transport Fleet

Ageing of Vehicles	No. of Vehicles	Percentage
30-Years & above Old	250	22%
20-30 Years Old	393	35%
11-20 Years Old	229	21%
0-10 Year Old	251	22%
Total	1,123	100%

Analysis of POL Rates & Transportation Expense Allowed by NEPRA

POL Rates June-2020	Rs. 100.10 Per Litter
POL Rates June-2025	Rs. 258.16 Per Litter
Increase in Rates Amount	Rs. 158.06 Per Litter
Increase in Rates (%)	158%
Transportation Expense Allowed in 2020	Rs. 400 (M)
Transportation Expense Allowed in 2025	Rs. 725 (M)
Increase in Amount	Rs. 325 (M)
Increase (%)	81%
Increase Required @ POL Rate Increase	Rs. 1,032 (M)

✓ The Petitioner submitted that O&M Cost has been bifurcated into Controllable and Un-Controllable components.

<u>Un-Controllable Components:</u>

✓ The Un-Controllable portion comprises Salaries & Wages of the employees and Staff Retirement Benefits. MEPCO has adopted National Pay Scales for regular employees along with Staff Retirement Benefits of the Federal Government.

✓ The Petitioner submitted that it has introduced lump sum packages for new inductions and its increase is subject to CPI, which will be a pass-through cost.

✓ R&M mainly comprises maintenance of Distribution Network which is quite deteriorated, therefore the same is considered as un-controllable cost. The controllable aspect can rise when DISCO has been able to fully perform preventive maintenance.

✓ The transport fleet of MEPCO consists of old vehicles with high maintenance cost and low mileage per litter. The rates of POL are also regulated by the Govt. Accordingly vehicle cost to be considered under the un-controllable component. The POL rates are also not controllable.

NEPRA AUTHORITY

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

Controllable Components:

- ✓ Costs other than Pay & Allowances, Retirement Benefits, R&M and Transportation (Maint.) shall be subject to indexation with CPI every year plus cost associated with Z-factor, if any, to be added as pass-through.

8.3. The Authority observed that in terms of Section 31(3) of NEPRA Act, following general guidelines shall be applicable to the Authority in the determination, modification or revision of rates, charges and terms and conditions for provision of electric power services;

- ✓ *"(a) tariffs should allow licensees the recovery of any and all cost prudently incurred to meet the demonstrated needs of their customers Tariff."*
- ✓ *(b) tariffs should generally be calculated by including a depreciation charge and a rate of return on the capital investment of each licensee commensurate to that earned by other investments of comparable risk;*
- ✓ *(c) tariffs should allow licensees a rate of return which promotes continued reasonable investment in equipment and facilities for improved and efficient service;*
- ✓ *(d) tariffs should include a mechanism to allow licensees a benefit from and penalties for failure to achieve the efficiencies in the cost of providing the service and the quality of service;"*

8.4. Further, as per the NEPRA determination of Consumer-end-Tariff (Methodology & Process) Guidelines, 2015, the Authority shall choose a base year for the purpose of determining the affected company's revenue requirement under the multi-year tariff regime or annual tariff regime. "Base Year" has been defined as the year on which the annual or multiyear tariff projection is being made, which may be a historical financial year, for which the actual results/audited accounts are available. It may be a combination of actual results and projected results for the same financial year or it may be a pure projection of a future financial year.

8.5. Here it is also pertinent to mention that as per the approved tariff methodology the Power Purchase Price is the only uncontrollable cost which is allowed a pass-through item. The other remaining costs are to be treated as controllable costs.

8.6. Considering the fact that the MYT has been filed for a period of five years i.e. from FY 2025-26 to FY 2029-30, and the cost for the FY 2025-26 i.e. test year, is being assessed as reference cost during the MYT control period, the Authority has decided to consider the costs as per the Audited/ provisional accounts of the Petitioner for the FY 2024-25 as base year.

8.7. The Authority considers that for projections or assessment of OPEX costs, the two commonly used approaches are the Ex-Ante approach and the Ex-Post approach. In a regime where the allowed OPEX is determined Ex-Ante, there will inevitably be deviations between the allowed and actual OPEX in the form of efficiency savings or losses. Thus, resulting in two broad options, one that the utility bears all savings or losses, i.e. no action is taken by the Regulator. The 2nd that the utility shares the savings or losses with consumers. The former provides the utility with a profit incentive to cut costs, but at the same time

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

places the utility at greater financial risk in the face of losses. The latter somewhat dilutes efficiency incentives, but also limits the losses/gains for the utility and its customers. However, the widely used approach is that no adjustments to allowed Revenues or OPEX allowances are made in the next period to compensate for a deviation from allowed OPEX in the current period except for certain allowed adjustments in terms of CPI etc.

8.8. In view thereof, the head wise assessment of the Petitioner under each of the requested costs is as discussed hereunder.

Salaries, Wages and Other benefits (excluding post-retirement benefits)

8.9. The Authority noted that head of Salaries, Wages and Other Benefits include employees Pay & Allowances and Post-retirement benefits and accounts for over 80% of the Petitioner's total O&M costs, excluding depreciation and RoRB. The Authority understands that employees of XWDISCOs are hired on Government pay scales, thus, any salary increase announced by the Federal Government in Fiscal Budget is also applicable on the employees of XWDISCOs. Therefore, salaries & wages cost of employees can be considered as un-controllable cost for XWDISCOs as long as they remain in public sector.

8.10. Considering the fact that the cost for the FY 2025-26 is being assessed, which would be used as reference during the MYT control period, the Authority has taken into consideration the costs as per the accounts of the Petitioner for the FY 2024-25, and information shared by the Petitioner subsequently in this regard. The Authority is of the view that since the previous MYT of the Petitioner has ended on 30.06.2025, therefore, it would be appropriate to account for the actual cost of the base year while projecting Salaries, Wages and Other benefits for the FY 2025-26, as any gain/loss of the previous MYT control period may not be carried forward in the new MYT.

8.11. The actual total cost as provided by the Petitioner for the FY 2024-25, under Salaries & Wages (excluding postretirement benefits, discussed separately) is Rs.17,763 million. The said amount has been considered as base cost and increases as approved by the Federal Government on Salaries and Wages in the Federal Budget for the FY 2025-26 i.e. ad-hoc relief allowance of 10% and DR allowance of 30%, along-with impact of annual increment i.e. 5% have been incorporated thereon.

8.12. Accordingly, the cost of Salaries & Wages (excluding postretirement benefits, discussed separately), for both the Distribution and Supply Functions works out as Rs.20,475 million. The same is hereby allowed to the Petitioner for the FY 2025-26 for both its distribution and Supply Functions as reference cost, to be adjusted in the remaining control period as per the adjustment mechanism prescribed in the instant determination.

8.13. Since the Audited accounts of the Petitioner, do not provide bifurcation of the Salaries, Wages and other benefits costs in terms of Distribution and Supply Functions, therefore, for the purpose of allocation of total cost of Salaries, Wages and other benefits in terms of Distribution and Supply Functions, the criteria as adopted by the Petitioner has been used. Accordingly, s, the cost of Salaries, Wages and other benefits (excluding postretirement benefits) for the FY 2025-26 pertaining to the Supply function works out as Rs.3,594 million.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

8.14. The assessed Salaries & Wages costs for the FY 2025-26 amounting to Rs. 3,594 million, shall be considered as the reference cost for future adjustment/ indexation of Salaries & Wages expenses, in the remaining tariff control period as per the mechanism specified in the instant determination.

8.15. Considering the fact that employees of XWDISCOs are hired on Government pay scales, and any salary increase announced by the Federal Government in the Federal Budget is applicable on the employees of the Petitioner, therefore, being un-controllable cost, the Authority has decided to actualize the Pay & Allowances cost of the Petitioner, based on its audited accounts for the relevant year for its existing employees. The impact of any such adjustment would be allowed as part of PYA in the next indexation/ adjustment request or tariff determination as the case may be.

Additional Recruitment and Outsourcing

8.16. Regarding additional recruitment, the Authority observed that Salaries & Wages cost for the FY 2024-25, as per the accounts of the Petitioner, has been considered as base cost, therefore, impact of any new recruitment made till FY 2024-25 has already been accounted for either as part of Salaries & Wages cost or under O&M if service have been outsourced. The Authority also understands that any allowing cost upfront either on account of new hiring, would be unfair with the consumers, without considering/ analyzing its benefits. The Authority understands that it will be in a better position to adjudicate on the issue, once the Petitioner provides details of actual cost incurred in this regard and substantiates the same with the quantified benefits accrued. Although, the Authority has decided to actualize the Pay & Allowances cost of the Petitioner, based on its audited accounts for the relevant year, however, that would only be to the extent of existing employees. Accordingly, the Petitioner is directed to provide detail of new recruitment during each year or new hiring if any, along-with its financial impact and benefits accrued, for consideration of the Authority, in its subsequent adjustment/ indexation request.

Post-Retirement Benefits

8.17. The Authority noted that the head of Post-retirement benefit includes employees' pension, free electricity and medical facility. The Authority also understands that employees of XWDSICSOs are hired on Government pay scales, thus, any pension increase announced by the Federal Government in the Budget is also applicable on the retired employees of XWDISCOs.

8.18. It is also pertinent to mention that the Authority in its previous determinations and considering the overall liquidity position in the power sector and in order to ensure that XWDISCOs fulfil their legal obligations with respect to the post-retirement benefits, directed the XWDISCOs to create a separate fund in this regard. The rationale behind creation of separate fund was to ensure that DISCOs record their liability prudently as the funds would be transferred into a separate legal entity, which would also generate its own profits, as it would be kept separate from the Company's routine operations, thus reducing the Distribution Margin and eventually consumer-end tariff in longer run.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY NEPRA AUTHORITY

8.19. In compliance with the Authority's direction, the Petitioner has created a separate Fund for its post-retirement benefits and provided following details of its pension fund balance and Payments made thereof;

Financial Year	NEPRA allowed amount (As per Applicable Tariff)	Amount Paid to Pensioners	Accumulated Fund Balance net of Profit
2015-16	428,745,655	2,134,489,506	207,000,000
2016-17	460,464,704	2,461,130,746	660,129,105
2017-18	988,860,604	3,211,289,879	1,116,202,822
2018-19	2,418,145,205	4,329,892,086	1,276,427,541
2019-20	2,707,000,000	4,469,675,503	1,958,079,212
2020-21	3,448,841,096	4,908,771,295	2,619,196,311
2021-22	4,655,000,000	5,487,126,085	4,287,125,502
2022-23	10,604,000,000	7,443,444,032	6,409,948,262
2023-24	10,106,000,000	3,717,226,743	9,287,026,221
FY 2024-25	18,328,000,000	8,201,612,108	17,776,635,494

8.20. From the above table, the Authority note that the Petitioner has complied with the earlier directions of the Authority and deposited excess amount in the Fund, after making actual payments. In view thereof, the Authority has also decided to allow the Petitioner, provision for Post-retirement benefits, for the FY 2025-26 as well.

8.21. The Authority further notes mention that the audited accounts of the Petitioner for the FY 2025-26, are not yet available, therefore, information provided by the Petitioner for the FY 2024-25, has been relied upon and provision reported as for FY 2024-25, has been considered for FY 2025-26 i.e. Rs.25,312 million, for its both Distribution and Supply of Power Functions.

8.22. The Petitioner is directed to deposit the amount of provision, over and above their actual post-retirement benefit payments, in the Fund and in case of failure to deposit the excess amount in the Fund, the same shall be adjusted/deducted in the subsequent tariff determination and from thereon, only actual amounts paid and amount transferred into the fund would be allowed.

8.23. Since the Audited accounts of the Petitioner, do not provide bifurcation of post-retirement benefits in terms of Distribution and Supply Functions, therefore, for the purpose of allocation of total cost of post-retirement benefits in terms of Distribution and Supply Functions, the criteria as adopted by the Petitioner has been used. Accordingly, the cost of post-retirement benefits for the FY 2025-26 pertaining to the Supply Function works out as Rs.4,556 million, to be adjusted in the MYT Control period as per the adjustment mechanism provided in the instant determination.

<u>Repair & Maintenance Costs</u>

8.24. The Authority has carefully examined the Petitioner's request and also analyzed the past trend of R&M expenses of the Petitioner. The Authority understands that the adherence to service standards and improvement of customer services is only possible through continuous repair and maintenance of distribution network, however, at the same time the Petitioner has also requested for huge CAPEX for making additional investment in Fixed Assets, resulting in new, expensive and efficient equipment, leading to overall reduction in R&M cost and increasing the total Assets base.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

8.25. The Authority is also of the view that since the previous MYT of the Petitioner has ended on 30.06.2025, therefore, it would be appropriate to account for the actual cost of the base year while projecting O&M expenses and other Misc. expenses for the FY 2025-26, as any gain/loss of the previous MYT control period may not be carried forward in the new MYT.

8.26. In view of the foregoing and keeping in view the current approved tariff methodology, the Authority has decided to allow an amount of Rs.2,104 million under R&M head, for the FY 2025-26, after incorporating the inflationary impact as also requested by the Petitioner, on the R&M cost as per the audited accounts of the Petitioner for the FY 2024-25 for both the Distribution and Supply functions. The same is hereby allowed to the Petitioner for the FY 2025-26 for both its distribution and Supply Functions.

8.27. Since the Audited accounts of the Petitioner, do not provide bifurcation of the R&M costs in terms of Distribution and Supply Functions, therefore, for the purpose of allocation of total cost of R&M costs in terms of Distribution and Supply Functions, the criteria as adopted by the Petitioner has been used. Accordingly, the cost of R&M i.e. Rs. 42 million for the FY 2025-26 allocated to the distribution function.

8.28. The assessed repair and maintenance cost for the FY 2025-26 i.e. Rs.42 million, shall be considered as the reference cost for working out future repair and maintenance expenses, in the remaining control period as per the adjustment mechanism prescribed in the instant determination.

8.29. The DISCOs are also directed to provide a certification from its Auditors that Repair and Maintenance expenditure does not include any CAPEX nature item. In case any CAPEX nature cost has been booked as R&M expenses, the same may be disclosed separately in the financial statements. The Authority may consider to revise the R&M assessment of the Petitioner, based on such disclosure/certification.

<u>Other O&M Expenses</u>

8.30. The Authority noted that as per the approved tariff methodology, all other operating expenses are part of O&M costs which are to be assessed through NCPI-X formulae for the tariff control period. Here it is pertinent to mention that the Petitioner itself has requested that other O&M expenses, may be linked with CPI excluding the Vehicle Running expenses during the entire tariff control period.

8.31. For assessment of Other O&M costs for the FY 2025-26, the Authority, keeping in view the cost as per the audited accounts of the Petitioner for the FY 2024-25, and incorporating therein inflationary impact as also requested by the Petitioner, has decided to allow an amount of Rs.5,610 million to MEPCO for the FY 2025-26. The allowed amount of Rs. 5,610 million is being allowed for both the Distribution and Supply of Power function for the FY 2025-26.

8.32. However, while working out the other O&M expense the cost on account of PEPCO management fee has been excluded, as also excluded by the Petitioner itself. Similarly, no cots on account of CSR activities is allowed as part of O&M expenses, and the Petitioner is direct to carry such activities from its allowed returns.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

8.33. Since the Audited accounts of the Petitioner, do not provide bifurcation of the Other O&M costs in terms of Distribution and Supply Functions, therefore, for the purpose of allocation of total cost of other O&M costs in terms of Distribution and Supply Functions, the criteria as adopted by the Petitioner has been used. Accordingly, the cost of other O&M expenses for the FY 2025-26 pertaining to the Supply function works out as Rs. 1,234 million.

8.34. Based on the figures as per financial statements, the Authority has incorporated all the costs including bill collection, building rent, NEPRA fee, insurance cost, rent, rates & taxes, and travelling, transportation etc.

8.35. The aforementioned assessment for the FY 2025-26 shall be considered as reference for working out Other Operating Expenses for remaining tariff control period and shall be adjusted based on change in "NCPI-General", in line with the mechanism specified in the instant determination. However, the vehicle running expenses would be adjusted with "NCPI-Transport", in line with the mechanism provided in the instant determination.

8.36. In case the Petitioner's actual O&M cost (excluding pay & Allowances & post-retirement benefits) for the relevant year as per its audited accounts is lower than the amount allowed for that year, any saving in this regard, shall be shared between consumers and the Petitioner in the ratio of 50:50. For future indexation of O&M cost during the MYT control period, the lower of allowed O&M cost or actual O&M cost of the previous year, after excluding therefrom the capex nature O&M and amount of O&M capitalized, if any, and pay & allowances & post-retirement benefits, shall be considered as reference.

8.37. If the actual O&M cost for the previous year, as referred above is not available at the time of projecting next year's O&M cost, the allowed cost for the previous year shall be considered as reference to be indexed as per the provided mechanism. Once the audited account for the previous year are available, the already projected O&M cost shall be reworked based on lower of allowed cost or actual O&M cost of the previous year. Any adjustment in this regard, if required, shall be made part of PYA. In addition, the allowed O&M cost shall also be adjusted based on mechanism provided in the instant determination. The Petitioner is also directed to disclose its O&M costs in terms of distribution and supply functions separately in its audited accounts.

PPMC Fee

8.38. Here it is pertinent to mention that some DISCOs during the hearing requested to allow cost on account of Management Fee of Power Planning and Monitoring Company (the "PPMC"). DISCOs in support of their request referred to the SRO 1358-I (2025) dated 29.07.2025, issued by the Ministry of Energy (PD), pursuant to the Federal Cabinet decision dated 27.10.2021, the National Electricity Policy, 2021, the National Electricity Plan (2023–2027), whereby it has been designated as a "designated entity" for the implementation of the priority areas of the NE Plan, and strategic roadmap as per the NE policy. The SRO further mandates the company to charge a fee from DISCOs, for the services rendered, as may be approved by the BoD of PPMC from time to time. The BoD of PPMC may, on annual basis, approve the annual budget and allocation of fees to DISCOs.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

8.39. It has also been submitted that clause 34(f) of the IMF Country Report clearly acknowledges PPMC's role in supporting policy, regulatory and tariff affairs, sector reforms, privatization, CD management and integrated power and energy planning.

8.40. The Authority noted that the National Electricity Plan allows the designated entity to charge a regulatory fee, which shall be allowed by the Regulator. The Authority also noted that previously the Authority discontinued the PEPCO fee in the absence of appropriate structure in place. The Authority also takes cognizance of the SRO dated 29.07.2025, issued by the Ministry of Energy (PD), pursuant to the Cabinet decision, as well as other justifications submitted by the DISCOs regarding the declaration of PPMC as a "designated entity" and its role in supporting policy, regulatory, and tariff matters, sector reforms, privatization, CD management, and integrated power and energy planning.

8.41. However, the Authority is of the view that it would be in a better position to adjudicate the matter, once the DISCOs provide details of the actual costs incurred and the functions/ services performed as designated entity for DISCOs and others, duly substantiated with documentary evidence and justifications.

8.42. Accordingly, the Authority has decided to pend upfront allowing such cost on account of PPMC at this stage and may consider the same as part of the PYA, subject to the Petitioner furnishing the above details, with proper justification and supporting documentary evidence, along with fulfillment of the process prescribed in the SRO No. 1358(I)/2025.

8.43. On the submissions of the Petitioner, to allow certain costs as uncontrollable, the Authority noted that as per the approved tariff methodology, Power Purchase Price is the only uncontrollable cost which is allowed a pass-through item. However, considering the fact that XWDISCOs employees are hired on Government pay scales, thus, any salary and pension increase, announced by the Federal Government in Fiscal Budget is also applicable on such employees/ pensioners of XWDISCOs. Therefore, salaries & wages cost and pension expenses to the extent of such employees can be considered as un-controllable cost for XWDISCOs as long as they remain in public sector.

9. <u>Whether the requested/projected amount under heads of Other Income, Deprecations and RORB based on WACC of 14.06% is justified?</u>

9.1. The Petitioner submitted following regarding Depreciation, RORB and Other Income;

<u>Depreciation</u>

9.2. Depreciation is charged as per straight-line method so as to diminish the cost of fixed asset over its estimated useful life. As per Company policy, Building and Civil Works are depreciated @ 2%, Distribution Equipment's @ 3.5%, Other Plant & Office Equipment and Vehicles @ 10%.

Depreciation Expense	(Rs. In Million)				
Description	2025-26	2026-27	2027-28	2028-29	2029-30
Depreciation Expense	8,944	10,397	11,839	13,157	14,362

NEPRA AUTHORITY
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

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9.3. As per MYT Guidelines, Depreciation expense for future years will be assessed in accordance with the following formula/mechanism:

DEP(Rev)= DEP(Ref) * GFAIO(Rev) / GFAIO(Ref)
Where:
DEP(Rev) = Revised Depreciation Expense for the Current Year
DEP(Ref) = Reference Depreciation Expense for the Reference Year
GFAIO(Rev) = Revised Gross Fixed Assets in Operation for the Current Year
GFAIO(Ref) = Reference Gross Fixed Assets in Operation for the Reference Year

9.4. Regarding allowed investment for FY 2025-26 and FY 2026-27, since the Distribution Investment Plan (DIP) of the Petitioner is under regulatory proceedings, the Authority has decided to allow the following provisional Investments under head of own financing, which shall be subject to adjustments pursuant to the final decision of the Authority in matter of DIP of the Petitioner.

Rs. Mln

Provisional Capex	MEPCO
FY 2025-26	3,352
FY 2026-27	15,560

9.5. The Authority decided that the above approved Investments are provisionally allowed for purpose of tariff rebasing and does not include the cost for AMI, APMS, scanning meters, Data Centers, etc., the investment in this smart metering area can only be started once DIP is approved, wherein the detailed project wise scope and cost approvals shall be decided in the final decision of DIP of the Petitioner.

9.6. Regarding the T&D Losses Target, the Authority has decided to provisionally approve the following loss target:

Provisional T&D Loss	MEPCO
FY 2025-26	11.34%
FY 2026-27	11.34%

9.7. The Petitioner is directed to carry out its T&D loss study through an independent third party, as per the approved terms of references (ToRs), which shall be communicated to the Petitioner separately by NEPRA. The independent third-party T&D loss study must be submitted by the Petitioner within nine (09) months of issuance of this decision. In case, the T&D loss studies are not submitted within the allowed time period, the following T&D Loss target shall become applicable for FY 2025-26 and FY 2026-27, and all relevant tariff adjustment shall be reworked on such revised targets. The financial impact of such revision shall be made part of PYA of subsequent tariff rebasing.

RevisedT&D Loss Target (Failure to submit study)	MEPCO
FY 2025-26	9.30%
FY 2026-27	9.30%

9.8. The submitted T&D loss study by an independent third-party shall be considered by the Authority for revision / firm up of T&D loss Targets for the applicable period in the next

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

rebasing of the tariff for DISCOs (January 2027) or mid-term (December 2027) review of DIP of the Petitioner, as the case may be.

9.9. Not used

9.10. Not used

9.11. After taking into account the new investments as mentioned above, the Gross Fixed Assets in Operation for the FY 2025-26 have been re-worked. Accordingly, the depreciation charge for the FY 2025-26 has been assessed as Rs.8,439 million calculated on actual depreciation rates for each category of Assets as per the Company policy, which will be considered as reference cost for working out future depreciation expenses for the remaining tariff control period, to be adjusted as per the mechanism provided in the instant determination.

9.12. After carefully examining the relevant details and information pertaining to the deferred credit and amortization as per the accounts for the FY 2024-25, the Authority has projected amortization of deferred credit to the tune of Rs.5,384 million for the FY 2025-26. Accordingly, the consumers would bear net depreciation of Rs.3,055 million.

9.13. The actual depreciation reflected in the Audited accounts of the Petitioner for the FY 2024-25, do not provide bifurcation of depreciation cost in terms of Distribution and Supply Functions, therefore, for the purpose of allocation of depreciation cost in terms of Distribution and Supply Functions, the criteria as adopted by the Petitioner has been used. Accordingly, the depreciation cost of Rs.169 million, for the FY 2025-26 allocated to the Supply function.

<u>Return on Rate Base:</u>

9.14. The Petitioner submission on the issue is as under;

- ✓ The Petitioner submitted that RAB is calculated as the sum of Opening GFA plus Addition in Fixed Assets less Depreciation, plus Capital Work-in-Progress (CWIP) less Deferred Credit/Contract Liabilities.
- ✓ Rate of Return/Weighted Average Cost of Capital (WACC): The Rate of Return or WACC of 14.06% has been calculated based on Capital Assets Pricing Model (CAPM), 3-months KIBOR+2% spread and Debt-Equity Ratio of 70:30.
- ✓ RoE is calculated using CAPM model and requires the estimation of following components
  - i) Risk Free Rate (Rf)
  - ii) Beta (B)
  - iii) Market Premium (P)
- ✓ Risk free rate is the rate of return that the investors expect to earn on investments that have virtually no risk of default. The Authority, for assessment of RoE component, considered

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

Weighted Average Yield of 05-Years Pakistan Investment Bond (PIB) as risk free rate in its previous determination. For instant MYT, MEPCO has used Weighted Average Yield of 05-Years PIB as on 14.59% as risk free rate.

- ✓ The expected return on any investment is the sum of Risk Free Rate and extra return to compensate for risk i.e. Risk Premium.
- ✓ Currently, NEPRA uses a standard beta of 1.10 for calculating the return on equity for all DISCOs. The same beta has been used by MEPCO for computing return on equity.
- ✓ Cost of debt has been taken as 03-Months KIBOR as on 13th March 2025 plus spread of 02% (200 basis points) on the analogy of latest determination by NEPRA.
- ✓ Based on the above input parameters i.e. Return on Equity & Cost of Debt, the WACC has been computed as 14.06%.
- ✓ During hearing, the Petitioner submitted following working regarding RORB and WACC;

Description	FY 2024-25 Determined	FY 2024-25 Audited	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected
Gross Fixed Assets - Opening Bal	188,137	203,736	231,691	270,209	313,389	351,400	387,492
Addition in Fixed Assets	10,735	31,738	38,518	43,180	38,012	36,092	31,658
Gross Fixed Assets - Closing Bal	198,872	235,474	270,209	313,389	351,400	387,492	419,150
Less: Accumulated Depreciation	81,447	82,382	92,155	102,552	114,391	127,548	141,910
Net Fixed Assets in Operation	117,425	153,013	178,054	210,837	237,009	259,944	277,240
Add: Capital Work In Progress	28,270	17,019	38,430	43,401	38,903	37,075	31,853
Investment in Fixed Assets	145,695	170,032	216,485	254,238	275,912	297,019	309,093
Less: Deferred Credits	67,478	86,488	84,575	90,650	96,348	101,849	105,552
Regulatory Assets Base (RAB)	78,217	83,544	131,910	163,588	179,564	195,171	203,542
Average Regulatory Assets Base	60,794	81,585	115,808	147,749	171,576	187,367	199,356
Rate of Return/WACC	21.14	21.14	14.06	13.36	13.36	13.36	13.36
Return on Rate Base	12,852	17,247	16,281	19,737	22,920	25,029	26,630

Description	FY 2024-25 Determined	FY 2024-25 Actual/ Proj.	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected
Market Rate %			13.90	13.90	13.90	13.90	13.90
Risk Free Rate %	13.77	13.77	12.36	12.36	12.36	12.36	12.36
Market Risk Premium %	1.23	1.23	1.54	1.54	1.54	1.54	1.54
Beta	1.10	1.10	1.10	1.10	1.10	1.10	1.10
RoE %	15.12	15.12	14.05	14.05	14.05	14.05	14.05
Cost of Debt (3 Month's KIBOR+2% Spread)	14.97	14.14	14.06	13.06	13.06	13.06	13.06
WACC %	15.02	14.43	14.06	13.36	13.36	13.36	13.36

9.15. The Authority observed that as per Section 31(3) of the NEPRA Act, the following general guidelines shall be applicable to the Authority in the determination, modification or revision of rates, charges and terms and conditions for provision of electric power services;

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

(b) tariffs should generally be calculated by including a depreciation charge and a rate of return on the capital investment of each licensee commensurate to that earned by other investments of comparable risk;

(c) tariffs should allow licensees a rate of return which promotes continued reasonable investment in equipment and facilities for improved and efficient service;

9.16. In line with the aforementioned guidelines, the Authority allows DISCOs, a Weighted Average Cost of Capital (WACC) to account for the return on equity and cost of debt. Similarly, for recovery of principal portion of debt, the Authority includes a depreciation charge in the revenue requirement of DISCOs.

9.17. Consequent to the aforementioned discussion, the WACC works out as per formula given below;

<u>Cost of Equity;</u>

$Ke = R_F + (R_M - R_F) \times \beta$

Where;
R_F is the risk free Rate
R_M is the Market Return
β is Beta

<u>The cost of debt;</u>

Kd = KIBOR + Spread

9.18. Accordingly, the WACC as per the given formula works pout as under;

WACC= ((Ke x (E / V) + (Kd x (D / V))
Where E/V and D/V are equity and debt ratios respectively taken as 30% and 70%;

9.19. The Authority uses the Capital Asset Pricing Model (CAPM) for calculation of Return of Equity (RoE) component of the WACC, being the most widely accepted model, which is applied by regulatory agencies all over the world to estimate the cost of capital for regulated utilities. Further, as per the Tariff methodology, in case of negative equity the Authority would consider a minimum of 20% equity and any equity in excess of 30% would be considered as debt.

9.20. The expected return on any investment is the sum of the risk-free rate and an extra return to compensate for the risk. This extra return or 'risk premium' is the difference between market rate of return and risk-free rate. Generally, the return on stock market index is taken as a measure of market rate of return. To have an appropriate measure of the market rate of return, analyzed KSE-100 Index return, over a period of 10 years i.e. FY 2016 to FY 2025. Further, return of different neighboring markets and other international markets were also analyzed.

9.21. For risk free rate, the yield of 05 year PIB is considered. The weighted average yield of accepted bids for 5 years PIB as of 17.07.2025 remained at 11.4916%. Regarding assessment of beta, the Authority has considered the earlier studies in the matter, range of betas used

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

by international Regulators, and accordingly decided to use the beta of 1.10, while assessing the RoE component.

9.22. Based on the application of the above methodology and the parameters discussed herein, the RoE of the Petitioner, as derived strictly through the formulaic approach, works out to a level lower than the benchmark applied in recent determinations. However, the Authority notes that RoE is not applied in isolation and must be assessed in the context of sector-wide regulatory consistency and comparable risk profiles. In this regard, the Authority observes that a PKR-based RoE of 14.47 % has been consistently allowed in recent determinations of XWDISCOs as well as in the case of K-Electric, reflecting a uniform regulatory treatment of the distribution segment. Keeping in view the need to maintain parity, avoid undue volatility in allowed returns, and promote continued investment in the distribution sector in terms of Section 31(3) of the NEPRA Act, the Authority has exercised its regulatory discretion to allow a PKR-based RoE of 14.47% for the Petitioner.

9.23. Regarding, cost of debt, it is the interest rate on which a company would get borrowing from the debt market / commercial banks i.e. a rate at which banks lend to their customers. In order to have a fair evaluation of the cost of debt, the Authority has taken cost of debt as 3 month's KIBOR + 1.50% spread, as maximum cap. Consequently, the cost of debt has been worked out as 12.64% i.e. 3 Months KIBOR of 11.14% as of July 02, 2025 plus a spread of 1.50% *(150 basis points).*

9.24. In view thereof, the WACC for the FY 2025-26 has been worked out as under;

Cost of Equity;
Ke = 14.47%
The cost of debt is;
Kd = 12.64%

WACC= ((Ke x (E / V) + (Kd x (D / V))
Where E/V and D/V are equity and debt ratios respectively taken as 30% and 70%;
WACC = ((14.47% x 30%) + (12.64% x 70%)) = 13.19%

9.25. Based on above and using WACC of 13.19% on RAB by including allowed investment for the FY 2025-26, the RoRB of the Petitioner for the FY 2025-26 has been worked out as under;

	MEPCO	
Description	FY 2024-25	FY 2025-26
Fixed Assets O/B	203,657	235,395
Addition	31,738	23,870
Fixed Assets C/B	235,395	259,265
Depreciation	82,904	91,343
Net Fixed Assets	152,491	167,922
Capital WIP C/B	18,175	12,378
Fixed Assets Inc. WIP	170,666	180,300
	-	-
Less: Deferred Credits	86,488	93,939
Total	84,178	86,361
RAB		85,270
WACC		13.19%
RORB		11,246

NEPRA AUTHORITY
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

9.26. The total amount of RoRB as worked out above has been allocated in terms of Distribution and Supply Functions, as per the criteria adopted by the Petitioner itself. Accordingly, the RORB for the FY 2025-26 i.e. Rs.225 million, allocated to the Supply function.

9.27. The reference RoRB would be adjusted every Year based on the amount of RAB worked out for the respective year after taking into account the amount of investment allowed for that year as per the mechanism given in the instant determination.

9.28. In addition, the allowed RAB for previous year will be trued up downward, keeping in view the amount of investment allowed for the respective year, other than consumer financed investments. In case, the Petitioner ends up making higher investments than the allowed (other than consumer financed investments), the same would be the Petitioner's own commercial decision and would not be considered while truing up the RAB, unless due to any regulatory decisions/interventions/approved plans for which the Petitioner obtains prior approval of the Authority. In such case the Authority may also revise the efficiency targets in terms of T&D losses etc.

9.29. Here it is also pertinent to mention that the amount of receipts against deposit works has been adjusted while working out the cost of working capital, therefore, no adjustment on this account has been made from the RAB. In view thereof, any interest earned on such deposits shall not be adjusted as part of other income. The Petitioner therefore shall ensure a separate disclosure of such income in its audited accounts. In case of failure to disclose such income separately, the entire interest income shall be adjusted as part of other income.

9.30. The Authority also understands that interest payment is an obligatory cash flow liability unlike discretionary dividend payment and considering the fact that any default may hamper the financial position of the Petitioner, hence the Authority has decided to cover the risk of floating KIBOR. Accordingly, fluctuation in the reference KIBOR would be adjusted biannually as also requested by the Petitioner itself. In addition, the Authority has also decided to adjust savings, if any, resulting from cheaper financing by the Petitioner. If the Petitioner manages to negotiate a loan below 1.50% spread, the entire savings would be passed onto the consumers annually, through PYA. In case of more than one loan, the saving with respect to the spread would be worked out based on individual loans. In case, the spread is greater than the allowed cap of 1.50%, additional cost would be borne by the Petitioner itself. Similarly, if the Petitioner's total actual cost of debt remains lower than the cost allowed for the year, the entire savings would also be passed onto the consumers annually, through PYA.

<u>Other income</u>

9.31. Other Income includes Profit on Bank Deposits, Amortization of Deferred Credit and Income from Other Sources. Various components of Other Income have been assessed on the basis of last five-years trend of respective component except Amortization of Deferred Credit which has been calculated @ 3.5% of the accumulated balance of Consumer Finance Assets.

9.32. The Late Payment Surcharge (LPS) has been excluded from the total Other Income as per existing practice of NEPRA in its Tariff determination of MEPCO for FY 2024-25.

The detail of other income is as under.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

Other Income Break-Up	(PKR Million)				
Description	2025-26	2026-27	2027-28	2028-29	2029-30
Amortization	4,563	4,935	5,307	5,684	6,012
Profit on Bank Deposit	3,230	3,270	3,310	3,340	3,370
Sale of Scrap	53	56	59	61	65
Miscellaneous	425	472	524	582	646
Meter and Service Rent	79	83	87	91	96
Reconnection fee	113	116	120	123	127
TV License Fee	67	70	73	77	81
Miscellaneous Service Charges	201	212	222	233	245
Total Other Income	8,731	9,213	9,701	10,193	10,642

Income from Non-Regulated Business:

9.33. The Petitioner regarding Other Income submitted that it intends to submit that the income/revenue, if any, which is not part of its regulated activities shall neither be passed through nor form the part of tariff. In case the Regulatory Asset Base is used simultaneously for its regulated business as well as any other activity without impacting the consumer services, the additional income shall be shared between MEPCO and consumers in the ratio of 50:50.

9.34. Other income is considered to be a negative cost which may include, but not be limited to, amortization of deferred credit, meter and rental income, late-payment charges, profit on bank deposits, sale of scrap, income from non-utility operations, commission on PTV fees and miscellaneous income.

9.35. Since the other income would be trued up every year as per the mechanism provided in the instant determination, therefore, for the FY 2025-26, the Authority has decided to allow an amount of Rs.8,731 million based on audited accounts of the Petitioner for FY 2024-25, including the amount of amortization of deferred credit but exclusive of the amount of late payment charges (LPS), for both of its Distribution and Supply functions.

9.36. The Authority in consistency with its earlier decision, on the issue, has not included the amount of LPS while assessing the other income for the FY 2025-26. Here it is pertinent to mention that the LPS recovered from the consumers on utility bills shall be offset against the late payment invoices raised by CPPA (G) against respective XWDISCO only, and in the event of non-submission of evidence of payment to CPPA (G), the entire amount of Late Payment charge recovered from consumers shall be made part of other income and deducted from revenue requirement in the subsequent year.

9.37. The total amount of Other Income as worked out above has been allocated in terms of Distribution and Supply Functions, as per the criteria adopted by the Petitioner itself. Accordingly, Other Income for the FY 2025-26 pertaining to the Supply function works out as Rs.5,675 million.

9.38. The reference Other Income determined for the FY 2025-26 would be adjusted annually as per the adjustment mechanism prescribed in the instant determination.

10. What will be adjustment mechanism for future indexation of different components of revenue requirement during the MYT? Whether there should any efficiency factor (X Factor) and Z-Factor?

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

10.1. The Petitioner proposed following Adjustment Mechanism for the MYT Control Period in different Cost Components which is in line with the MYT Guidelines and Determination of NEPRA in the case of MEPCO as well as other DISCOs operating under Multi-Year Tariff.

Sr. No.	Tariff Component	Adjustment
01	Fuel Cost	Monthly
02	Var. O&M, CPP and UoSC	Quarterly
03	O&M Cost	Annually
04	Post Retirement Benefits	Annually
Sr. No.	Tariff Component	Adjustment
05	Depreciation, RORB, Other Income	Annually
06	Prior Year Adjustment	Annually
07	KIBOR	Annually

10.2. The Petitioner has requested adjustment of following DM components in line with mechanism given in Annex, V, VI and VII of NEPRA Guidelines for Determination of Consumer-End Tariff dated 16th January 2015;

Sr. No.	DM Component	Adjustment Mechanism
01	Return on RAB (RORB)	$RORB_{(Rev)} = RORB_{(Ref)} \times RAB_{(Rev)} / RAB_{(Ref)}$
02	Depreciation Expense	$DEP_{(Rev)} = DEP_{(Ref)} \times GFAIO_{(Rev)} / GFAIO_{(Ref)}$
03	Other Income	$OI_{(Rev)} = OI_{(1)} + (OI_{(1)} - OI_{(0)})$

10.3. Under latest MYT Determination, the Tariff components i.e. Depreciation & RORB are subject to annual adjustment / True-up downward only. MEPCO has proposed Up-word / Down-word annual adjustment / True-up mechanism based on various scenarios whereby the allowed investment to be gauged on the basis MYT control period.

10.4. MEPCO requested the adjustments for O&M cost after its bifurcation into controllable and uncontrollable costs.

10.5. The uncontrollable costs are requested to be trued-up at the end of every year and the controllable costs should be indexed every year (CPI – X + Z).

$$O\&M = [\textbf{Controllable cost} \times \{1 + (\textbf{CPI} - \textbf{X})\} + \textbf{Uncontrollable costs} + \textbf{Z}$$

Where,

CPI = Consumer Price Index

X = Efficiency factor (Proposed as "0" for MYT Control Period)

Z = Costs relating to extraordinary events

Efficiency Factor (X)

NEPRA AUTHORITY NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

10.6. The Efficiency factor is applied to encourage DISCOs efficiency through different technological and procedural interventions. However, where the Tariff covers for expenses is already insufficient and DISCOs are struggling to meet their expenses to effectively run their operations, application of X-Factor is counter productive.

10.7. MEPCO has Asset Base Rs. 235 (B) whereas significant part of Distribution asset is old and in deteriorated condition specially grids and distribution transformers.

10.8. MEPCO out of its total *134* No. Grid stations, has *71* Grids more than 30-years old and *05* Grids more than 20-years old. On the other hand, MEPCO has *113,769* No. Distribution Transformers which on an average require Rs. 0.9 (B) p.a.

10.9. The other expenses mainly constitute outsource services which are already availed on the bare minimum level. Therefore, applying efficiency factor on these expenses will prove counter productive.

Z' Factor for Force Majeure Events:

10.10. The Petitioner submitted that it has a wide business area with a spreading network and prone to natural calamities like flooding, storms, poor law & order situation etc. Provision for such extraordinary events proposed as a "Z" factor to be included in the O&M cost indexation formula. Costs incurred due to force majeure shall be recoverable during the subsequent year subject to prior approval of NEPRA. Costs recoverable under insurance coverage shall not be included in the tariff for the subsequent year.

10.11. The Authority, while assessing the O&M costs of the Petitioner for the FY 2025-26, has taken into account the audited accounts of the Petitioner for the FY 2024-25 and the amount requested by the Petitioner, subject to adjustment during the MYT control period, as per the mechanism mentioned below. Therefore, risk / benefit of any future cost fluctuations, lies with the Petitioner along with an opportunity for optimizing overall costs under these head. The treatment is in line with the very sprit of multi- year tariff regime and in accordance with Authority's approved tariff methodology.

10.12. Regarding adjustment of O&M costs with efficiency factor X, the Authority in line with its earlier decisions in the matter of MYTs, has decided to keep the efficiency factor as 30% of increase in NCPI for the relevant year of the MYT control period. The Authority has further decided to implement the efficiency factor from the 3rd year of the control period, in order to provide the Petitioner with an opportunity to improve its operational performance, before sharing such gains with the consumers. The O&M part of Distribution Margin shall be indexed with NCPI subject to adjustment for efficiency gains (X factor).

10.13. Regarding request of the Petitioner to allow 'Z" factor, the Authority observed that it has allowed insurance cost to the Petitioner in the reference O&M cost for the FY 2025-26 subject to future increases, and the same covers for any such extra ordinary events. Therefore, the request of the Petitioner, to allow any such factor as a separate cost is not justified.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA AUTHORITY

Indexation of O&M cost components

10.14. Salaries & Wages and Post-retirement Benefits; Considering the fact that employees of XWDISCOs are hired on Government pay scales, and any salary increase announced by the Federal Government in the Federal Budget is applicable on the employees of the Petitioner, therefore, being un-controllable cost, the Salaries & Wages and benefits, would be actualized, based on the audited accounts of the Petitioner for the relevant year for its existing employees, as long as they remain in public sector. The impact of any such adjustment would be allowed as part of PYA in the next indexation/ adjustment request or tariff determination as the case may be.

Adjustment Mechanism - Salaries, Wages & Other Benefits
Revised Salaries, Wages & Other Benefits Expenses = Ref. Salaries, Wages & Other Benefits x [1+(GoP Increase or CPI)]
FY 2025-26, allowed Salaries, Wages & Other Benefits may be considered as reference cost for future adjustment.
The Authority may consider to allow GoP increase till the time the DISCOs remain in public sector, otherwise CPI indexation may allowed if DISCOs get privatized.
The allowed amount for FY 2025-26, may be actualized based on Audited accounst for FY 2025-26, considering the same as uncontrollable cost on part of XWDISCOs.

10.15. Post-retirement benefits would be allowed based on the actuarial valuation report for the year for which assessment is being made or as per the latest available audited financial statements. It would be mandatory for the Petitioner to deposit the whole amount of allowed Post retirement benefits into the separate Fund and route all its pension payments through the Fund. If the Petitioner fails to transfer the whole amount of postretirement benefits into the Fund, the Authority would adjust the deficit payments in the next year's provision and from thereon, only actual amounts paid and amount transferred into the fund would be allowed.

10.16. Transportation/Vehicle Running expense portion of O&M cost

10.17. The reference costs would be adjusted every Year with Transport index of NCPI. The Adjustment mechanism would be as under;

Vehicle running/Transportation expenses (Rev) =

(Vehicle running/Transportation expenses (Ref.) x [1 + (Transport index of NCPI)])

10.18. Remaining O&M costs will be indexed every year according to the following formula:

The reference costs would be adjusted every Year with NCPI-X factor. The X factor would be applicable from the 3rd year of the MYT control period. The Adjustment mechanism would be as under;

O &M(Rev) = O & M (Ref.) x {1 + (NCPI-X)].

Where

O &M (Rev)	=	Revised O&M Expense for the Current Year
O &M (Ref)	=	Reference O&M Expense for the Reference Year
Δ NCPI	=	Change in NCPI published by Pakistan Bureau of Statistics for the month of December for the respective year. For O&M expenses,

NEPRA AUTHORITY

other than vehicle running expenses, NCPI-General shall be used, whereas for Vehicle Running expense, NCPI-Transport shall be used. Reference NCPI-General and NCPI-Transport of December 2024 for thepurpose of future adjustment/ indexation shall be 4.07% and - 0.18% respectively.

X = Efficiency factor i.e. 30% of NCPI relevant for indexation purpose

11. RORB

11.1. The reference RoRB would be adjusted every Year based on the amount of RAB worked out for the respective year after taking into account the amount of investment allowed for that year as per the following mechanism;

Adjustment Mechanism - RoRB	
RORB(Rev)	=RORB(Ref) x RAB(Rev) / RAB(Ref)
The allowed RORB may be considered as reference cost for future adjustment.	
In addition the allowed RORB for previous year will be trued up based one actual investment (maximum cap to the extent of allowed investment)carried out during that year. Further KIBOR fluctuation on bi-annual basis also subject to adjustment. Further Spread of 1.50% is allowed as maximum cap, in case DISCOs manage to obtain financing on spread less than 1.5% the same shall be adjusted as part of PYA.	

11.2. In addition, the Petitioner is directed to disclose the amount of IDC capitalized during the year and adjust its RAB for the year after excluding therefrom the impact of IDC capitalized during the year.

11.3. In addition, the allowed RAB for previous year will be trued up downward, keeping in view the amount of investment allowed for the respective year, other than consumer financed investments. In case, the Petitioner ends up making higher investments than the allowed (other than consumer financed investments), the same would be the Petitioner's own commercial decision and would not be considered while truing up the RAB, unless due to any regulatory decisions/interventions/approved plans for which the Petitioner obtains prior approval of the Authority. In such case the Authority may also revise the efficiency targets in terms of T&D losses etc.

11.4. The Authority also understands that interest payment is an obligatory cash flow liability unlike discretionary dividend payment and considering the fact that any default may hamper the financial position of the Petitioner, hence the Authority has decided to cover the risk of floating KIBOR. Accordingly, fluctuation in the reference KIBOR would be adjusted biannually. In addition, the Authority has also decided to adjust savings, if any, resulting from cheaper financing by the Petitioner. If the Petitioner manages to negotiate a loan below 1.50% spread, the entire savings would be passed onto the consumers annually, through PYA. In case of more than one loan, the saving with respect to the spread would be worked out based on individual loans. In case, the spread is greater than the allowed cap of 1.50%, additional cost would be borne by the Petitioner itself. Similarly, if the Petitioner's total actual cost of debt remains lower than the cost allowed for the year, the entire savings would also be passed onto the consumers annually, through PYA.

12. Depreciation Expenses

12.1. The reference Depreciation charges would be adjusted every Year as per the following formula;

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

$$DEP(Rev) = DEP(Ref) \times \frac{GFAIO(Rev)}{GFAIO(Ref)}$$

Where: DEP (Rev) = Revised Depreciation Expense for the Current Year

DEP (Ref) = Reference Depreciation Expense for the Reference Year

GFAIO (Rev) = Revised Gross Fixed Assets in Operation for the Current Year

GFAIO (Ref) = Reference Gross Fixed Assets in Operation for the Reference Year

12.2. In addition, the allowed Depreciation for previous year will be trued up downward, keeping in view the amount of investment allowed for the respective year, other than consumer financed investments. In case, the Petitioner ends up making higher investments (excluding consumer financed investments) than the allowed, the same would be the Petitioner's own commercial decision and would not be considered while truing up the depreciation expenses, unless due to any regulatory decisions/interventions/approved plans for which the Petitioner obtains prior approval of the Authority.

13. <u>Other Income</u>

13.1. Other Income shall be adjusted annually as per the following mechanism during the MYT control period to calculate future Other Income.

Adjustment Mechanism - Other Income (OI)	
OI(Rev)	=OI(Allowed Previous year) + {OI(allowed for previous year) – OI(Actual previous year)}
The allowed Other income may be considered as reference cost for future adjustment.	
In addition the allowed Other Income for previous year will be trued up based on actual Other Income during that year	

13.2. The Authority during proceedings directed the Petitioner to provide it working capital calculation and has considered the submissions of the Petitioner and in order to access the working capital requirement of the Petitioner, the Authority obtained details of number of days available with the Petitioner to pay in terms of energy procured from National Grid. Based on the information provided by CPPA-G and in line with the mechanism adopted for KE, the working capital requirement of the Petitioner for its Supply function has been assessed as under;

Supply working Capital	Credit Period Days	Factor	MEPCO
Current Assets			
Trade debt (days of Revenue Receivable)	25	0.07	37,788
Total Current Assets			37,788
Current Liabilities			
EPP From CPPA	41	0.11	16,976
CPP From CPPA	34	0.09	26,953
Transmission	30	0.08	3,014
Distribution	30	0.08	4,774
Total Liabilities			51,717
Net			(13,929)
Cost of debt local			12%
Working Capital Cost			(1,671)

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY NEPRA AUTHORITY

13.3. As reflected in the table above, The Petitioner's working capital requirement for the Supply function has been assessed as negative Rs.13,929 million and cost working capital requirement works out as negative Rs.1,671 million, based on 3 months KIBOR i.e. 11% +1% spread as maximum cap, subject to downward adjustment in case the actual spread remains lower. The same is allowed to the Petitioner for the CY 2026, and is subject to adjustment, as per the mechanism provided below, once the audited accounts of the Petitioner for the FY 2025-26 are available.

Working capital (Supply)

Revised cost of working capital = Working capital requirement as per given formula x Cost of debt on allowed parameters

-Working capital requirement shall be calculated based on assessed revenue requirement under each head for relevant year.

-Cost of Debt shall 3 Months KIBOR + 1% spread as maximum cap, subject to downward adjustment at the end of each financial year.

Actualization of Previous year based on allowed revenue as PYA

- Current Assets
  - Lower of 25 days receivables based on allowed revenue (including the impact of allowed adjustments), OR Actual average Receivables for the Financial Year (excluding opening receivables).
- Current Liabilities
  - Payables pertaining to EPP & CPP based on average Number of days data to be provided by CPPA-G.
  - Transmission charges (30 days) & Distribution Charges (30 days) or based on contractual agreement, if any.
  - Actualization of the aforementioned heads shall be based on allowed costs after accounting for the impacts of allowed adjustments.
- All heads based on allowed days to be actualized after incorporating the impact of allowed adjustments, if any. While actualizing these heads impact of working capital cost be excluded.
  - Amount retained by the Petitioner on account of Net metering settlement
  - Any other amount retained by the Petitioner

13.4. 3 Month KIBOR + 1% Spread as maximum cap subject to downward adjustment. For the purpose of 3 - Month KIBOR, the actual weighted average KIBOR of finance cost incurred by the Petitioner shall be considered, if any. Similarly, for the purpose of spread, actual weighted average spread incurred by the Petitioner shall be considered, if any. In case actual weighted average spread is lower than 1% cap, the same shall be adjusted downward only. No upward adjustment of spread is allowed.

13.5. The Authority further notes that that since the amount of receipts against deposit works has been adjusted while working out the cost of working capital, therefore, any interest earned on such deposits shall not be adjusted as part of other income. The Petitioner therefore shall ensure a separate disclosure of such income in its audited accounts. In case of failure to disclose such income separately, the entire interest income shall be adjusted as part of other income.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

14. Whether the requested PYA is justified?

14.1. The Petitioner submitted following for PYA in its Tariff petition;

✓ Rule-53 of NEPRA Tariff Guidelines 2015 provides that under-recovery or over-recovery of the cost-of-service incurred during the previous year(s) shall be accounted for going forward during the current year under the head of prior period adjustment.

✓ The Prior Years Adjustment (PYA) on account of under/over recovery of past costs is summarized below:

Prior Year Adjustment (PYA)		(PKR Million)	
Sr. No.	Description	FY 2025-26	FY 2026-27
1	Sales Mix Variance FY 2022-23	4,898	
2	Under/Over Recovery of Quarterly Adjustments	6,826	
3	Under/Over Recovery of DM	7,167	
4	True-up FY 2023-24	-8,022	
5	Turnover Tax FY 2023-24	5,587	
6	Turnover Tax FY 2024-25	3,260	3,260
7	Turnover Tax (Payment made under ADRC Order)	4,041	5,388
8	PRB Liability	19,283	
9	Quarterly Adjustments UMPL Incremental Units 2021-22	821	
10	Quarterly Adjustments Incremental Units	2,166	
11	Financing of Delayed PPP Quarterly Adjustment	6,936	
12	Differential Amount of WHT/Advance Tax	2,150	
13	GENCO Pension Liability	4,340	
	Total	59,453	8,648

Sale Mix Variance:

✓ The Sales Mix Variance amounting to Rs. 4,898 (M) for FY 2022-23 was requested vide Annual Indexation of tariff for FY 2024-25. However, the same was not allowed by the Authority with the remarks to provide the reconciled data of sales mix with its reported revenue as per Audited Financial Statements for the respective year. The requisite reconciliation has been submitted to the Authority, hence the sale mix variance of Rs. 4,898 (M) for FY 2022-23 is being claimed as part of PYA.

Under Recovery of Quarterly Adjustments (QTA):

✓ The summary of under recovery against various quarterly tariff adjustments allowed by NEPRA is given below:

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

Under Recovery of QTA		(Rs. In Million)	
Description	Amount	Description	Amount
Qtr FY 2022-23		2nd Qtr FY 2023-24	
Allowed Amount	25,330	Allowed Amount	15,233
Qtr. Rs/kWh	3.9856	Qtr. Rs/kWh	2.7063
Recovered	23,911	Recovered	12,853
Under/(Over) Recovery	1,419	Under/(Over) Recovery	2,380
1st Qtr FY 2023-24		3rd Qtr FY 2023-24	
Allowed Amount	-538	Allowed Amount	3337
Qtr. Rs/kWh	-0.7107	Qtr. Rs/kWh	0.4639
Recovered	-2,013	Recovered	2,512
Under/(Over) Recovery	1,475	Under/(Over) Recovery	825
4th Qtr FY 2023-24			
Allowed Amount	7,967		
Qtr. Rs/kWh	1.8146		
Recovered	7,240		
Under/(Over) Recovery	727		
Grand Total			6,826

✓ The Authority is requested to allow the under recovery of Rs. 6,826 (M) on account of aforementioned QTAs.

Under Recovery of Distribution Margin (DM) for FY 2023-24:

✓ The Authority allowed DM of Rs. 46,391 (M) for FY 2023-24, against which actual amount recovered Rs. 39,224 (M) which resulted in under recovery of Rs. 7,167 (M) as tabulated below:

Description	Period		Amount
	01 Jul 2023 to 11 Jul 2023	12 Jul 2023 to 30 Jun 2024	
DM Allowed in Determination 2023-24			46,391
DM Recovered			
Units Sold (kWh)	761	16,143	16,904
ISP-2 Incremental Units (kWh)	-24	-284	-308
Net Metering (adjusted) Units kWh	-3	-82	-85
Net Unit Sold (kWh)	734	15,777	16,511
DM Rate Rs/kWh	1.85	2.39	1.85 & 2.39
DM Recovered	1,358	37,865	39,224
Under Recovered DM			7,167

✓ The Authority is requested to allow the under recovered DM of Rs. 7,167 (M) as PYA.

True-Up FY 2023-24:

✓ In line with MYT adjustment mechanism, True-Up of Depreciation, RoRB and Other Income for FY 2023-24 is elaborated hereunder:

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

MYT True-Up for FY 2023-24 (Rs.	
Depreciation	Amount
Allowed	6,208
Actual	6,610
Under/(Over) Recovery	402
RoRB (Investment + KIBOR)	
Allowed	13,808
Actual	15,853
Under/(Over) Recovery	2,045
Other Income	
Allowed	-7,108
Actual	-17,577
Under/(Over) Recovery	-10,469
Total	-8,022

✓ The Authority is requested to consider and allow the true-up amounting to Rs. (8,022) (M) as PYA.

Turnover Tax for FY 2023-24:

✓ In line with Authority existing practice, the amount of Minimum Turnover Tax paid by MEPCO for FY 2023-24 is tabulated below:

Turnover Tax FY 2024-25		(Rs. In Million)
Description	Amount	Remarks
1st QTR 2023-24	440	CPR No. IT20230927010122231660
2nd QTR 2023-24	1,149	CPR No. IT2023122901011694786 & CPR No. IT20231230101117604
3rd QTR 2023-24	1,000	CPR No. IT20230901011968860
4th QTR 2023-24	2,412	CPR No. IT2024062801011988802
Payment with Tax Return 2024	587	CPR No. IT2024123101011857636
Total	5,587	

✓ The Authority is requested to consider and allow Rs. 5,587 (M) paid on account of Minimum Turnover Tax for FY 2023-24 as PYA.

Turnover Tax for FY 2024-25:

✓ Payment of Turnover Tax for first two quarters of FY 2024-25 has been made to FBR as detailed below:

Turnover Tax FY 2024-25		(In Million)
Description	Amount	Remarks
1st QTR 2024-25	2,117	CPR No. IT2024092401011704844 & CPR No. IT2024092401011705361
2nd QTR 2024-25	1,143	CPR No. IT2024122601011715469 & CPR No. IT2024122601011715468
Total:	3,260	

✓ The Authority is requested to consider Rs. 3,260 (M) paid on account of Turnover Tax for first two quarters of FY 2024-25 and allow the same during FY 2025-26 as PYA. The tentative amount of Turnover Tax due for third and fourth quarters of FY 2024-25 is narrated as under:

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY NEPRA AUTHORITY

Turnover Tax FY 2024-25		(Rs. In Million)
Description	Amount	Remarks
3rd QTR 2024-25	2,120	Due in March 2025
4th QTR 2024-25	1,140	Due in June 2025
Total:	3,260	

✓ The Authority is requested to consider and allow the same during FY 2026-27 as PYA.

Turnover Tax TY 2018-2022 (Payment made Under ADRC Order):

✓ It is apprised that pursuance to Federal Govt. Tax Laws (Amendment) Act 2024, whereby it is mandatory for the SOEs (Including MEPCO) to approach FBR for appointment of Alternate Dispute Resolution Committee (ADRC), if aggrieved by any orders of FBR, and the SOEs to withdraw all pending litigation and cases immediately. Accordingly, MEPCO approached FBR for appointment of ADRC for resolution of Turnover Tax Cases for the period FY 2017-18 to FY 2021-22 involving alleged obligation of Rs. 28,887 (M). FBR appointed ADRC which after due proceedings and accepting stance of MEPCO, resolved the subject issue of Minimum / Turnover Tax whereby MEPCO was required to deposit Rs. 9,430 (M) in quarterly installments completing the payment up till June 2026.

Turnover Tax TY 2018-2022 (ADRC Order)		(Rs. In Million)
Description	Amount	Remarks
ADRC Payment 1st Installment (Dec	2,000	CPR No. IT20241231010011851800 & CPR No. IT20241231010011852235
ADRC Payment 2nd Installment	694	Due in Mar-2025
ADRC Payment 3rd Installment	1,347	Due in Jun-2025
Total:	4,041	

✓ The Authority is requested to allow Rs. 4,041 (M) on account of Turnover Tax during FY 2025-26 as PYA.

✓ Further apprised that quarterly installment due in four quarters of FY 2025-26 as per ADRC decision, have been claimed as PYA as summarized below:

Turnover Tax TY 2018-2022 (ADRC Order) (Rs. In Million)		
Description	Amount	Remarks
ADRC Payment (Due in FY 2025-26)	5,388	Due on Sept-2025, Dec-2025, Mar-2026 & Jun-2026
Total:	5,388	

✓ The Authority is requested to allow Rs. 5,388 (M) on account of Turnover Tax during FY 2026-27 as PYA.

Post-Retirement Benefits (PRB) Less Determined:

✓ In line with the decision of Authority to allow the Provision for PRB on the basis of Audited Financial Statements as well as to consider the amount of PRB Liability routed through Other Comprehensive Income (OCI) in future (Reference Para 5.41 of MEPCO Annual Indexation for FY 2024-25 under MYT), the difference of provision for PRB as per Audited Account for FY 2023-24 & provision allowed by the Authority and PRB Liability routed through OCI for FY 2023-24 is tabulated below:

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

PRB Liability Less Determined (Rs. In Million)	
Description	Amount
PRB Liability Routed through OCI for FY 2023-24	14,753
PRB Provision for FY 2023-24 Less Allowed	4,530
Total	19,283

✓ The Authority is requested to consider and allow to Rs. 19,283 (M) on account of PRB Liability less allowed for FY 2023-24 as PYA.

Quarterly Adjustments UMPL Incremental Units for FY 2021-22:

✓ The Ministry of Energy (GOP) notified Winter Package vide S.R.O. No. 1418 dated 05.11.2021 (Copy attached). The Package was applicable from 1st November 2021 to 28th February 2022 whereby rate Rs. 12.96/Kwh was charged to various consumer categories on incremental consumption. As per Clause-vii of the SRO, no quarterly adjustment was applicable on incremental consumption. The impact of non-applicability of quarterly adjustment on incremental units was not allowed to MEPCO in relevant PPP Quarterly Adjustments (QTAs). Accordingly, MEPCO has calculated the impact of under-recovered amount of Rs. 821 million (Annex-vi) which may please be allowed as PYA.

Quarterly Adjustments Incremental Units:

✓ The Clause-48(7) of the NEPRA Guideline for Determination of Consumer-End Tariff (Methodology and Process)-2015, "Since PPP as a whole is a pass through item, hence would be subject to some periodic adjustments". Accordingly, Quarterly/Bi-Annual Adjustments and Monthly Fuel Price Adjustment are allowed to the DISCOs.

✓ For the period from Ist Quarter of FY 2021-22 to 2nd Quarter of FY 2023-24, MEPCO has calculated the impact of less allowed Quarterly Adjustment (QTA) claims. The working is based on the revised amount of quarterly adjustments after taking into account the impact of actual PPP invoiced to MEPCO along with the impact of incremental units (where applicable) as per devised format. The impact of less allowed adjustments comes to Rs. 2,166 million (Annex-vii) attached) which is requested to be allowed as PYA.

Financing of Delayed PPP Quarterly Adjustments:

✓ In terms of Section 31(7) of Regulations for Generation, Transmission and Distribution of Electric Power (Amended) Act-2021, the Authority may on quarterly basis and not later than a period of fifteen days, make quarterly adjustment in the approved tariff, on account of capacity and transmission charges, impact of transmission and distribution losses.

✓ Further apprised that by virtue of delay in determination of PPP quarterly adjustments, MEPCO has always faced liquidity issues regarding payment of Power Purchase Price and other financial obligations which required the arrangement of additional working capital to discharge the financial liabilities. In this context, MEPCO has worked out the impact of financing for required additional working capital of Rs. 6,936 million against delayed period of determination on prevailing KIBOR of respective period. The same is requested to be allowed as PYA to bridge the financing gap.

Differential Amount of Withholding/Advance Tax:

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

- ✓ The Authority allowed the amount of Minimum/Turnover Tax on the basis of CPRs provided by MEPCO. In this context, it is highlighted that payment of Minimum/Turnover Tax is made to FBR after adjustment of Withholding/Advance Tax from gross amount of Minimum Turnover Tax and CPRs are prepared for reduced amount paid to FBR. Whereas, while calculating Revenue Requirement, the Authority considers and reduce the gross amount of Other Income including profit on bank deposits. Hence the differential amount on account of Withholding/Advance Tax amounting to Rs. 2,150 Million **(Annex-ix)** may please be considered and allowed as PYA.

GENCO Pensioners Liability:

- ✓ ECC of the cabinet approved adjustment of Pensioners of GENCOs Power Plants under closure with following stipulations:

"It is proposed that 2,368 Pensioners of GENCOs may be adjusted in their pension disbursing *DISCOs or WAPDA. Similarly, 1,753 employees of these plants would be adjusted in DISCOs. Pensions of these employees will be paid by the relevant DISCOs on their retirement according to rules of the relevant DISCOs. In turn the respective DISCOs and WAPDA would claim adjustment of the same from NEPRA in their tariffs."*

- ✓ In pursuance of above, 563 pensioners (out of 2,368 Pensioners) have been adjusted in MEPCO however due to more than one surviving widows against one PPO number, the total number increases to 571 pensioners. This adjustment of GENCOs Pensioners in MEPCO is subject to Determination of NEPRA to allow this cost or otherwise.

- ✓ As per Actuarial Report prepared by Nauman Associates Consulting Actuaries, opening actuarial liability of these Pensioners has been assessed as Rs. 4,340 Million (Actuarial Report is attached as. The opening Actuarial liability of GENCO Pensioners amounting to Rs. 4,340 Million was requested by MEPCO in its Annual Indexation/Adjustment for FY 2023-24 & FY 2024-25, however the Authority not allowed the additional amount with the remarks that the petitioner has been allowed provision for PRB as per latest available Financial Statements which the Authority understand includes all employees as well as active pensioners. Authority is requested to re-consider the opening liability of GENCO Pensioners and allow Rs 4,340 Million as PYA.

Bifurcation of PYA:

- ✓ The Bifurcation of PYA is as under:

Bifurcation of PYA		Rs. In Million					
Sr. No.	Description	FY 2025-26			FY 2026-27		
		DOP	SOP	Total	DOP	SOP	Total
1	Sales Mix Variance FY 2022-23		4,898	4,898			-
2	Under/Over Recovery of Quartly Adjustments		6,826	6,826			-
3	Under/Over Recovery of DM	6,379	788	7,167			-
4	True-up FY 2023-24	-8,022		-8,022			-
5	Turnover Tax FY 2023-24		5,587	5,587			-
6	Turnover Tax FY 2024-25		3,260	3,260		3,260	3,260
7	Turnover Tax (Payment made under ADRC Order)		4,041	4,041		5,388	5,388
8	PRB Liability	18,070	1,213	19,283			-
9	Quarterly Adjustments UMPL Incremental Units 2021-22		821	821			-
10	Quarterly Adjustments Incremental Units		2,166	2,166			-
11	Financing of Delayed PPP Quarterly Adj.		6,936	6,936			-
12	Differential of WHT/Advance Tax		2,150	2,150			-
13	GENCO Pensioners Liability	4,067	273	4,340			-
	Total	20,494	38,959	59,453	-	8,648	8,648

NEPRA AUTHORITY

Indexation/True-Up for FY 2024-25

✓ Audited Accounts of MEPCO for FY 2024-25 have been finalized and approved by the AGM on 27.10.2025. Based on Audited Accounts as well as in accordance with Tariff Methodology, MEPCO requests the Authority to consider and allow the Indexation/True-Up, as tabulated below, in its instant decision of MEPCO MYT.

Nomenclature	Rs. In Million
True Ups FY 2024-25	2,459
DM Under/Over Recoveries FY 2024-25	6,851
QTR Adjustments	(858)
Sales Mix Variance	30,279
Opening PRB Liability of GENCO Employees	3,211
Un-Regulated Income	14,997
PRB Liability (OCI)	26,395
Write Off Bad Debts	4,450
Total	87,784

PYA Requested VS Determined FY 2025-26

Sr. No	Description	FY 2025-26	
		Requested	Interim Tariff Determined
1	Sales Mix Variance FY 2022-23	4,898	4,898
2	Under/Over Recovery of Quarterly Adjustments	6,826	4,924
3	Under/Over Recovery of DM	7,167	5,338
4	True-up FY 2023-24	(8,022)	(11,810)
5	Turnover Tax FY 2023-24	5,588	5,588
6	Turnover Tax FY 2024-25	3,260	3,260
7	Turnover Tax (Payment made under ADRC Order)	4,041	4,041
8	PRB Liability	19,283	-
9	Quarterly Adjustments UMPL Incremental Units 2021-22	821	-
10	Quarterly Adjustments Incremental Units	2,166	-
11	Financing of Delayed PPP Quarterly Adj.	6,936	-
12	Differential of WHT/Advance Tax	2,150	-
13	GENCO Pensioners Liability	4,340	-
14	FCA Impact -Adjusted as PYA	-	231
15	Previous PYA Difference	-	2,003
16	PYA FY 2023-24 Under Recovered	-	2,478
	Total	59,454	20,951

Description	Amount
4th Qtr FY 2022-23	
Allowed Amount	25,330
Qtr. Rs/kWh	3.9856
Recovered	23,911
Under/(Over) Recovery	1,419
1st Qtr FY 2023-24	
Allowed Amount	(538)
Qtr. Rs/kWh	(0.7107)
Recovered	(2,013)
Under/(Over) Recovery	1,475
2nd Qtr FY 2023-24	
Allowed Amount	15,233
Qtr. Rs/kWh	2.7063
Recovered	12,853
Under/(Over) Recovery	2,380
3rd Qtr FY 2023-24	
Allowed Amount	3,337
Qtr. Rs/kWh	0.4639
Recovered	2,512
Under/(Over) Recovery	825
4th Qtr FY 2023-24	
Allowed Amount	7,967
Qtr. Rs/kWh	1.8146
Recovered	7,240
Under/(Over) Recovery	727
Total Under/(Over) Recovery	6,826

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

Mata - 9

Description	Period		Total
	01 Jul 2023 to 11 Jul 2023	12 July 2023 to 30 Jun 2024	
DM Allowed in Determination 2023-24			46,391
DM Recovered			
Units Sold (kWh)	761	16,143	16,904
ISP-2 Incremental Units (kWh)	(24)	(284)	(308)
Net Metering (adjusted) Units kWh	(3)	(82)	(85)
Net Unit Sold (kWh)	734	15,777	16,511
DM Rate Rs/kWh	1.85	2.40	1.85 & 2.40
DM Recovered	1,358	37,865	39,224
Under/(Over) Recovered			7,167

True Ups FY 2023-24	
Depreciation	
Allowed	6,208
Actual	6,610
Under/(Over) Recovery	402
RoRB (Investment + KIBOR)	
Allowed	13,808
Actual	15,853
Under/(Over) Recovery	2,045
Other Income	
Allowed	(7,108)
Actual	(17,577)
Under/(Over) Recovery	(10,469)
Total True Up	(8,022)

Turnover Tax FY 2023-24		
Description	Amount (In Million)	Remarks
1st QTR 2023-24	440	CPR No. IT20230927010122316660
2nd QTR 2023-24	1,149	CPR No. IT2023122901011694786 & CPR No. IT202312301011717604
3rd QTR 2023-24	1,000	CPR No. IT20230901011968860
4th QTR 2023-24	2,412	CPR No. IT20240828010119888802
Payment with Return 2024	587	CPR No. IT2024123101011857636
Total:	5,587	

NEPRA AUTHORITY

Turnover Tax FY 2024-25		
Description	Amount (In Million)	Remarks
1st QTR 2024-25	2,117	CPR No. IT20240924010117O4844 & CPR No. IT20240924010117O5361
2nd QTR 2024-25	1,143	CPR No. IT20241226010117I5489 & CPR No. IT20241226010117I5468
Total:	3,260	

Turnover Tax FY 2024-25		
Description	Amount (In Million)	Remarks
3rd QTR 2024-25	2,120	Due
4th QTR 2024-25	1,140	Due
Total:	3,260	

Financial Year	Quarter	Revised Amount	Amount Allowed	Less/ (Excess)
FY 2021-22	2nd	7,641	7,074	567
	3rd	2,424	2,170	254
TOTAL		10,065	9,244	821

Quarterly Adjustments Incremental Units

Rs. In Million

Financial Year	Quarter	Revised Amount	Amount Allowed	Less/ (Excess)
2021-22	1st	4,114	3,762	352
	4th	19,530	19,530	-
2022-23	1st	10,657	10,604	53
	2nd	2,393	2,354	39
	3rd	10,120	10,173	(53)
	4th	27,240	25,330	1,910
2023-24	1st	(727)	(538)	(189)
	2nd	15,287	15,233	54
Total		88,614	86,448	2,166

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

Financing of Delayed PPP Quarterly Adjustments

Period	Submission Date	Determination Due Date	NEPRA Determination Date	Delay in Months	Notified (Rs in M)	FINANCE COST KIBOR Date	Rate%	Amount (in Million)
1st Quarterly Adjustment FY 2018-19	31-Oct-18	15-Nov-18	14-Jun-19	7	17,043	15-11-18	9.19	914
2nd Quarterly Adjustment FY 2018-19	06-Feb-19	21-Feb-19	14-Jun-19	4	17,589	21-02-19	10.76	631
3rd Quarterly Adjustment FY 2018-19	09-May-19	24-May-19	27-Sep-19	4	4,815	24-05-19	12.85	172
4th Quarterly Adjustment FY 2018-19	23-Aug-19	07-Sep-19	21-Sep-19	0	1,480	11-09-19	13.90	-
1st Quarterly Adjustment FY 2019-20	29-Oct-19	13-Nov-19	26-Nov-19	0	1,421	13-11-19	13.49	-
2nd Quarterly Adjustment FY 2019-20	05-Mar-20	20-Mar-20	24-Sep-20	6	13,357	20-03-20	12.54	674
3rd Quarterly Adjustment FY 2019-20	13-May-20	28-May-20	24-Sep-20	4	17,750	28-05-20	8.11	446
4th Quarterly Adjustment FY 2019-20	20-Aug-20	04-Sep-20	12-Feb-21	5	15,147	04-09-20	7.26	458
1st Quarterly Adjustment FY 2020-21	03-Nov-20	18-Nov-20	06-May-21	6	6,303	18-11-20	7.30	249
2nd Quarterly Adjustment FY 2020-21	15-Feb-21	30-Jan-21	06-May-21	4	6,141	01-02-21	7.34	168
3rd Quarterly Adjustment FY 2020-21	17-May-21	01-Jun-21	25-Jul-22	13	(7,151)	01-06-21	7.49	(173)
4th Quarterly Adjustment FY 2020-21	10-Aug-21	25-Aug-21	30-Dec-21	4	(2,877)	25-08-21	7.41	(71)
1st Quarterly Adjustment FY 2021-22	10-Nov-21	25-Nov-21	09-May-22	6	3,763	25-11-21	9.93	187
2nd Quarterly Adjustment FY 2021-22	06-Feb-22	21-Feb-22	16-Jun-22	4	7,074	21-02-22	10.44	247
3rd Quarterly Adjustment FY 2021-22	22-Apr-22	07-May-22	29-Jul-22	2	2,170	07-05-22	14.68	53
4th Quarterly Adjustment FY 2021-22	22-Jul-22	06-Aug-22	14-Oct-22	2	19,431	12-08-22	15.83	514
1st Quarterly Adjustment FY 2022-23	19-Oct-22	03-Nov-22	17-Jan-23	2	10,604	03-11-22	15.77	279
2nd Quarterly Adjustment FY 2022-23	24-Jan-23	08-Feb-23	12-Apr-23	2	3,354	08-02-23	17.93	70
3rd Quarterly Adjustment FY 2022-23	14-Apr-23	29-Apr-23	07-Jul-23	2	10,175	02-05-23	21.05	361
4th Quarterly Adjustment FY 2022-23	20-Jul-23	04-Aug-23	02-Oct-23	2	25,137	04-08-23	22.71	810
1st Quarterly Adjustment FY 2023-24	16-Oct-23	31-Oct-23	20-Dec-23	2	(539)	31-10-23	21.96	(20)
2nd Quarterly Adjustment FY 2023-24	15-Jan-24	30-Jan-24	28-Mar-24	2	13,211	30-01-24	20.80	378
3rd Quarterly Adjustment FY 2023-24	16-Apr-24	01-May-24	31-May-24	0	1,117	01-05-24	21.87	-
4th Quarterly Adjustment FY 2023-24	22-Jul-24	06-Aug-24	06-Sep-24	1	7,967	06-08-24	19.53	130
1st Quarterly Adjustment FY 2024-25	17-Oct-24	01-Nov-24	05-Dec-24	1	2,646	01-11-24	15.03	41
Total								6,936

True-Ups FY 2024-25

	Rs. In Million
Depreciation	
Allowed	6,622
Actual	7,488
Under/(Over) Recovery	866
RoRB (Investment + KIBOR)	
Allowed	12,852
Actual	17,247
Under/(Over) Recovery	4,395
Other Income	
Allowed	(7,108)
Actual	(9,910)
Under/(Over) Recovery	(2,802)
Total True Ups	2,459

D.M. Under/(Over) Recovery

Rs. In Million

Description	Total
DM Allowed FY 2024-25	56,903
DM Recovered	
Units Sold (kWh)	16,569
Incremental Units (kWh)	(65)
Net Metering (adjusted) Units kWh	(348)
Net Units Sold (kWh)	16,156
DM Allowed Rate Rs/kWh	3.10
Actual DM Recovered	50,052
Under/(Over) Recovered DM	6,851

Under/(Over) Recovery of QTA Adjustments

Rs. In Million

Description	Amount
4th Qtr FY 2022-23	
Allowed Amount	25,330
Qtr. Rs/kWh	3.9856
Recovered	23,911
Under/(Over) Recovery	1,419
2nd Qtr FY 2024-25	
Allowed Amount	(10,709)
Qtr. Rs/kWh	(2.0023)
Recovered	(10,170)
Under/(Over) Recovery	(539)
3rd Qtr FY 2024-25	
Allowed Amount	(15,778)
Qtr. Rs/kWh	(2.5792)
Recovered	(14,040)
Under/(Over) Recovery	(1,738)
Total Under/(Over) Recovery	(858)

Note: Under/(Over)) Recovery of 4th Quarter of FY 2022-23 QTA was requested vide Annual Indexation Request for FY 2024-26, however the same was not considered by the Authority.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

14.2. The Authority has analyzed the PYA workings submitted by the Petitioner and also obtained additional information, including category wise sales data from PITC. Based on the available information, Authority's decisions in terms of FCAs and Quarterly adjustments for the relevant period, mechanism provided in the MYT determination, and data provided by the Petitioner, the Authority has assessed the PYA of the Petitioner under various heads as under;

Description	Rs. Mln MEPCO
QTR	3,895
D.M	11,040
PYA	2,209
Sales Mix	4,898
True Ups	-
2023-24	(9,535)
2024-25	(3,419)
Other Head	10,650
Total	19,739

14.3. The detailed head wise working of aforementioned PYA is attached as annexure-VI

15. <u>Whether there should be any fixed charges on Units exported by net metering users to the extent of Transmission and Distribution charges or otherwise?</u>

15.1. The petitioner during the hearing supported recovery of network Distribution costs associated with energy exported by net-metering consumers. Exported units suffer technical losses on the way to the receiving consumer. These losses are borne by MEPCO but not currently compensated under net-metering settlement.

15.2. The proposed recovery of distribution component is as:

Distribution Loss levy = Exported kWh x Distribution loss component (percentage) x Energy Purchase Price (per kWh)

15.3. The Authority noted that vide decision dated 23.06.2025, all DISCOs have been directed to undertake a comprehensive study as outlined below, to thoroughly examine the impact of ToU tariff timings and Distributed Solar integration on utilities operations.

- *Comprehensive study on the impact of existing time-of-use (ToU) tariff timings and proposed measures for aligning demand with evolving load patterns*
- *Comprehensive assessment of the financial and technical impacts of distributed solar photovoltaic (PV) integration on distribution utility operations and infrastructure*

15.4. DISCOs were also directed to jointly develop, through mutual consultation, a uniform Terms of Reference (ToR) to carry out the above studies and submit the same to NEPRA for approval. DISCOs have prepared and submitted the ToRs, which are currently under review.

15.5. Here it is also pertinent to highlight that the Authority, elicited public opinion on the NEPRA (Prosumer) Regulations, whereby, changes in both the methodology and rate for the units being exported by a Distributed Generator (DG), are being proposed.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

15.6. The Authority therefore considers it appropriate to review the quantum of fixed charges to be levied on Net Metering Consumers, once the aforementioned studies are completed; and upon notification of the NEPRA (Prosumer) Regulations; including finalization of the methodology and rate for units exported by such consumers Therefore, for the purpose of instant determination, the Authority has decided not to make any changes in this regard.

16. <u>Whether the recovery target and provision for bad debt as provided in petition is justified?</u>

16.1. The petitioner submitted that it achieved 100% recovery targets during FY 2024-25. However, 100% recovery against current billing is not realized within the same financial year. Typically, around 12%–13% of the billed amount remains outstanding and is recovered in subsequent months. However, Recovery Target @100% for each year under MYT Control Period have been provided. In this cyclic process, approximately Rs. 900 million becomes irrecoverable each year despite disconnection actions and other legal proceedings initiated for the recovery of arrears. Additional recovery efforts were also undertaken through DISCO Support Unit (DSU) to minimize arrears and improve overall collection performance.

16.2. While undertaking all efforts to recovery the arrears, around Rs. 800–900 million is classified as unrecoverable, every year. In the view of above, an amount of Rs. 4,450 million is provisioned as bad debt for FY2026 to FY 2030.

16.3. The following criteria is fulfilled before writing off bad debts:

Criteria for written-off of bed debt: -

- ✓ Age of arrears is more than 03 years.
- ✓ There is no error / mistake in billing nor any civil suit as per available record.
- ✓ The premises has no running connection.
- ✓ Security deposit against defaulting connection adjusted.
- ✓ There is no other connection in the name of defaulter

16.4. The Petitioner subsequently vide letter dated 19.11.2025, referred to Section 5.3.2 of the NE Policy 2021 by stating that NE Policy provides that timely recovery of bad debts that is prudent shall be allowed by the Regulator with the incorporation of facilitative provisions in the Regulatory frame work as per industry practices and procedures. MEPCO further provided the following abstract of its recovery loss during the preceding years;

FY	Annual Billing	Disconnected Arrears (Added during the year)	% Share
2017-18	176,024	1,494	0.85%
2018-19	209,568	676	0.32%
2019-20	239,410	580	0.24%
2020-21	272,576	766	0.28%
2021-22	364,079	415	0.11%
2022-23	485,965	1,474	0.30%
2023-24	676,689	7,875	1.16%
2024-25	627,754	5,470	0.87%

16.5. The Petitioner submitted that based on these statistics, historically recovery loss/ bad debts allowance @ 0.62% is confronted, accordingly the Authority is requested to allow recovery

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

loss/ bad debt allowance for billing amount of each year of the current MYT control period i.e. FY 2025-26 to 2029-30 to ensure sufficient liquidity for MEPCO as well as to align the collection targets with the existing market realities. The Petitioner further stated that this request of allowing recovery loss/ bad debt allowance is in addition to the already requested amount of Rs.4,450 million on account of write-off bad debts.

16.6. The Authority noted that, historically, XWDISCOs have not been allowed any recovery loss, and tariff determinations have been based on the assumptions of 100% recovery. While write offs were allowed to certain XWDISCOs on provisional basis, subject to fulfillment of the prescribed criteria, but no XWDISCO was ultimately able to meet the said criteria and write-off any amount. Consequently, the provisionally allowed amounts of write-offs were adjusted back.

16.7. The Authority further notes that, although recovery loss was initially allowed to K-Electric, the matter was revisited pursuant to Motions for Leave for Review filed by various stakeholders including the Ministry of Energy (MoE) itself, and the CPPA-G. Upon reconsideration, the Authority decided not to allow any upfront recovery loss and only a capped amount of write-offs was allowed to K-Electric, subject to fulfillment of the prescribed criteria.

16.8. For ready reference the grounds taken by the MoE, being the owner of XWDISCOs, and the CPPA-G in their MLRs in the matter of KE's MYT FY 2024-30 are reproduced below;

- ✓ Allowing of a recovery loss trajectory, effectively transfers the financial burden of DISCO inefficiencies onto paying consumers, thereby penalizing compliant customers while subsidizing non-payment. The MoE (PD) also submitted that this approach is inconsistent with the principle of prudent cost recovery enshrined in Section 31 of the NEPRA Act and the Tariff Rules.

- ✓ Clause 5.3.2 of the NE Policy envisages that "timely recovery of bad debt that is prudent shall be allowed by the Regulator with the incorporation of facilitative provisions in the regulatory framework as per industry practices and procedures." In this context, SD 31 of the NE Plan operationalizes Clause 5.3.2 of the NE Policy by laying out clear criteria for bad debt write-offs applicable across the sector. Clause 6.1.3 of the NE Policy reinforces that the NE Plan shall serve as the implementation tool for achieving policy goals.

- ✓ Consequently, the Authority is legally obligated under Sections 7(2)(ia), 14A(5), and 31(1) of the NEPRA Act to align tariff determinations with the NE Plan and apply its prescriptions uniformly to all DISCOs. If this practice of allowing recovery loss is extended sector-wide, the projected annual burden would rise to Rs.270 billion, potentially accumulating to Rs.1,500 billion over seven years. Such a development would jeopardize the financial sustainability of the power sector and run contrary to the goals of tariff rationalization and reform-based efficiency.

- ✓ The Act mandates the Authority to allow only prudently incurred costs and any in-efficiencies on the part of utility company cannot considered as prudent cost and should not be allowed.

- ✓ It is the duty of the Authority while discharging its function of determining and recommending tariff that: (a) the interests of the consumers and the companies

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

engaged in providing electric power services is duly protected in accordance with the principles of transparency and impartiality; and (b) it shall be guided by the NE Policy, the NE Plan and the guidelines of the Federal Government.

✓ Recovery shortfall (if any) be met by way of application of principles of write-off, subject to fulfilment of specified criteria for such write-off of bad debts, in line with industry practices and procedures in other regulatory jurisdictions, which shall duly protect the interests of the consumers and companies engaged in providing electric power services and would be consistent with the NE Policy and the NE Plan.

16.9. The Authority while deciding the MLR of the MoE and CPPA-G in the matter of KE's MYT, also construed that since the MoE (PD) is actively pursuing privatization of other XWDISCOs, so the submissions made by the MoE (PD) in its Motions for not allowing any up-front recovery loss, can be construed as a policy decision, meaning thereby that similar treatment will be offered to other DISCOs.

16.10. In view of the above discussion and the fact that allowing recovery loss allowance effectively transfers the financial burden of DISCO's inefficiencies onto the paying consumers or on the national exchequer through subsidies, the Authority has decided not to allow any upfront recovery loss to the Petitioner. Accordingly, MEPCO's tariff is being determined on the basis of 100% recovery target. MEPCO, however, will be allowed to claim write-offs, after fulfillment of the given criteria, as per the following limits, to be considered as maximum cap for the relevant year;

FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1.00%	1.00%	1.00%	1.00%	1.00%

16.11. The aforementioned cap is calculated based on request of the Petitioner that around 800 to 900 million remain un-recoverable annually, which works out as 0.15% of the allowed revenue requirement CY 2026. The same is allowed to the Petitioner as a maximum cap subject to fulfillment of write off criteria.

<u>Criteria for claiming actual write-offs</u>

a. Actual write-offs, if any, against private consumers only, pertaining to billing made during the current MYT period i.e. FY 2026-30, after fulfillment of the following criteria subject to maximum cap as provided above. The claim shall be verified by third party/auditor, based on the following criteria;

i. The claim shall be applicable for the default amount of a permanently disconnected consumer that may not be recovered through all efforts possible.

ii. The age of such non-recovery is over three (3) years.

iii. The amount of write off shall be claimed against connections given as per CSM and other applicable documents, duly supported by CNICs.

iv. Write-offs against receivables of any Government entity / PSC shall not be allowed.

v. Petitioner's BOD shall develop a write-off policy, in accordance with the aforementioned criteria and submit it to the Authority for its approval. The Authority, may while granting approval alter, modify or add to the write-off policy, in its sole discretion.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

vi. Petitioner's BOD shall approve all write-off claims in accordance with the Authority's approved write-off policy. The Petitioner's BOD approved write-off shall be subject to independent third-party verification that the write-offs are as per the Authority's approved write-off policy. The terms of references (TORs) for third party / auditor verification of write-offs shall be prepared by Petitioner and shall be approved by the Authority. The Authority, may while granting approval alter, modify or add to the TORs, in its sole discretion.

vii. Any write-off approved by the Petitioner's BOD, in accordance with the write-off policy approved by the Authority, and verified by the third-party independent auditor, in accordance with the approved TORs, after expiry of the MYT 2026-2030 shall be allowed by the Authority.

17. <u>Whether the existing fixed charges applicable to different consumer categories needs to be revised and requires any changes in mechanism for charging of such charges based on Actual MDI or Sanctioned Load or otherwise?</u>

18. <u>Whether there should any Fixed Charges on consumer's categories who are currently not paying any fixed charges?</u>

18.1. The Petitioner during the hearing submitted that the corresponding amount of the fixed cost component charged by CPPA may be apportioned across all consumer categories. For example, an industrial consumer, on one side pays fixed charges and on the other hand they also pay fixed portion included in the unit cost, resultantly pay more fixed charges. Apportioned fixed charges across all tariff categories will reduce the variable component of the tariff and distribute the burden of fixed charges among all consumers.

18.2. The Authority noted that earlier fixed charges were being levied at around Rs.400-500/kW/month based on higher of 50% of sanctioned load or actual MDI for the month. The rate was subsequently enhanced to Rs.2,000/kW/month vide decisions dated 14.06.2024, however, the Federal Government vide its Motion for uniform tariff dated 03.07.2024, requested to revised the same downward as Rs.1,250/kW/month based on higher of 25% of the sanctioned load or actual MDI for the month. The Authority vide decision dated 11.07.2024, in the matter of uniform tariff Motion, considering the concerns raised by stakeholders, and prevailing economic challenges decided to restrict fixed charges at Rs.1,250/kW/month.

18.3. The prime objective of revision in fixed charges and corresponding reduction in variable charges is to incentivize consumers to increase their electricity consumption from national grid, thus, lowering their overall effective tariff.

18.4. Here it is also to be highlighted that the Authority has recently initiated the process of notifying the NEPRA (Prosumer)Regulations, whereby, changes in both the methodology and rate for the exported units are being proposed. These amendments, once approved, may result in increased consumption from the Grid, consequently leading to higher recovery of fixed costs, as part of variable charges. In view thereof, for the purpose of instant determination, the Authority has decided to maintain the existing rate of fixed charges for the consumers who are currently being charged fixed charges at Rs./kW/month along-with the applicability mechanism.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

18.5. Similarly, for consumers, who are currently being charged, fixed charges as Rs./Consumer/Month, the Authority has also decided to maintain the existing practice.

19. <u>Whether the schedule of tariff be designed on cost-of-service basis or otherwise?</u>

19.1. The Petitioner submitted that as per Clause 27 of Part 6 (Schedule of Tariff) of NEPRA Guidelines for determination of Consumer End Tariff (Methodology and Process), 2015:

"An annual or multi-year tariff shall be based on a cost-of-service study"

19.2. The submissions of all DISCOs regarding the applicability of a cost-of-service (CoS) based tariff structure have been analyzed. Multiple DISCOs like HESCO, GEPCO, QESCO, HAZECO, and PESCO explicitly referred to the NE Plan SD-82, 83 and 84, which call for transitioning toward CoS-based tariffs to promote transparency, financial sustainability, and equitable allocation of costs among consumer categories. DISCOs in general have supported CoS based tariff design, which would enhance transparency, and equitable cost allocation among consumers in terms of actual costs they impose on the system.

19.3. The Authority noted that NE Plan provides that tariffs for the residential consumers shall be progressively adjusted to align with the principle of cost-of-service, taking into account the following:

a. Subsidies to protected categories of residential consumers shall be disbursed directly pursuant to the detailed action plan to be developed under Strategic Directive 067;

b. Residential consumers (below cost recovery) shall be cross subsidized by:

i. industrial & commercial consumers, pursuant to the Strategic Directive 084;

ii. other residential consumers (above cost recovery).

19.4. SD 84 states that Cross-subsidy by the productive consumers, to subsidize residential and agricultural consumers, shall be progressively restricted to 20% of the respective cost of service of such consumers by FY-2026.

19.5. In light of the aforementioned provisions of NE Plan, the Authority, has decided to gradually reduce the quantum of cross subsidization by the Industrial consumers in order to make it cost reflective and major burden of cross subsidization is being shifted towards commercial and other residential consumers (above cost of service).

20. <u>Whether there will be any claw back mechanism or not?</u>

20.1. The Authority notes that submissions were received from DISCOs on the subject; however, the Authority observes that the issue raised stands substantially addressed within the existing regulatory framework.

20.2. The Authority is of the view that appropriate sharing mechanism for any savings by the utility have already been provided under each head separately e.g. O&M costs, T&D losses, cost of debt etc. therefore, no separate claw-back mechanism is required. However, in the event any additional return by the Petitioner, which is not otherwise addressed under the approved mechanism, the same would be shared between DISCO and consumers equally.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

21. Upfront Indexation/adjustment for the period July 2026 to December 2026

21.1. The Ministry of Energy (MoE) vide letter dated 18.08.2025, submitted that NEPRA determines the consumer-end tariff for XWDISCOs and K-Electric in accordance with Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the Act), read with Rule 17 of the Rules, 1998. The uniform rebased tariff, once determined, is notified by the Federal Government under Section 31(7) of the Act. The latest rebasing was notified on July 1, 2025. In accordance with the NEPRA (Tariff Standards and Procedure) Rules, 1998 read with Part 5 of the NEPRA Determination of Consumer-end Tariff (Methodology & Process) Guidelines, 2015, the Distribution Companies (DISCOs) are required to initiate the tariff determination process by submitting their minimum filing requirements by January 31st of each year. The submission is followed by Authority's internal meetings, public hearing, tariff determination and notification by the Government. Keeping in view the recent annual tariff determinations, the rebasing is notified by the Government in the month of July, each year with effect from 1st July.

21.2. The Ministry further mentioned that as an unfortunate coincidence, the consumers face high Fuel Charges Adjustments (FCAs) as well as the annual tariff rebasing, simultaneously in the summer months. This increase in tariff coupled with higher consumption leads to significant hike in the consumer electricity bills of summer months which in turn results in unaffordability, public dissatisfaction and nationwide protests in the country. The issue can be streamlined if the timing of annual rebasing is shifted from summer to winter months where the electricity consumption is lower and any tariff increase can be absorbed in consumer bills. This would result in relatively stable and sustainable electricity prices throughout the year. The National Electricity Plan Strategic Directive 8 also stipulates that the Regulator shall also revisit the "Guidelines for Determination of Consumer End Tariff (Methodology and Process), 2015" to enable alignment of schedule of regulatory proceedings for planning activities and rate case & tariff determinations.

21.3. The MoE submitted that the Cabinet has approved that policy guidelines may be issued to NEPRA to revise the annual tariff determination process timelines by amending the relevant legal and regulatory framework in a way that the rebasing is notified with effect from 1st January, each year, after completion of all regulatory proceedings. In this regard, it is highlighted that NEPRA has already determined Power Purchase Price (PPP) references up to June 2026. Projections for the remaining six months will be shared subsequently.

21.4. In light of above and in exercise of powers under Section 31 of the Act, the Federal Government hereby issues the following policy guidelines for implementation by NEPRA;

"NEPRA shall revise the annual tariff determination process timelines by amending the relevant legal and regulatory framework (guidelines, rules and procedures) to ensure that annual rebasing is notified with effect from January 1st of each year, after completion of all regulatory proceedings."

21.5. MEPCO also vide letter dated 17.10.2025, submitted that the MoE vide letter dated 16.10.2025, has conveyed that the Federal Government has approved the revision of the annual tariff determination schedule, making it effective from 1st January each year. The Authority has already determined the Power Purchase Price (PPP) references up to June

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

2026, accordingly, it is submitted that the references for the remaining period up to December 2026 may also be determined, in line with the above-mentioned directives.

21.6. MEPCO further stated that it has already submitted its Multi-Year Tariff (MYT) Petition for FY 2025-26 to FY 2029-30 for determination and the decision of the Authority is awaited. Meanwhile, an interim tariff for FY 2025-26 has been determined by the Authority in response to PESCO's request dated 29.05.2025.

21.7. MEPCO accordingly requested that the Authority to determine the consumer-end tariff for the period from July 1, 2026 to December 31, 2026 in accordance with the revised annual rebasing timeline effective January 1, 2026, to ensure smooth and timely transition to the revised rebasing schedule.

21.8. The matter was discussed during the hearing, and the Petitioner requested the following costs on account of interim indexation for the 06 months period from Jul. 26 to Dec. 26;

Description	MEPCO
Salaries, Wages & Other Benefits	12,847
Post Retirement Benefits	15,391
Other O & M Costs	6,474
Depreciation	5,199
Return on Rate Base	9,868
Turn Over Tax	
Gross Distribution Margin	**49,779**
Less: Other Income	(4,607)
Net Distribution Margin	**45,171**
PYA	
Total	**45,171**

21.9. The Authority has considered the guidelines issued by the Federal Government regarding tariff rebasing to be made effective from 1st January, instead of July each year. The Authority is cognizant of the fact that rebasing of tariff effective July, if upward, coupled with high consumption, leads to increase in overall electricity bills during summer months; thus, adversely impacting DISCOs performance in terms of recoveries and losses. However, even with re-basing in January, the overall billing impact for the consumers in summer months would remain same, had the rebasing been made effective from July. Nonetheless, in light of NE Plan, SD 8 and the instant policy guidelines, the Authority has completed the consultation process for revision in "Guidelines for Determination of Consumer End Tariff (Methodology and Process), 2015", and the same are now in the process of notification.

21.10. Further, in light of the instant policy guidelines, the Authority has determined the revised Power Purchase Price (PPP) references for the period from January 2026 to December 2026 through a separate decision. Pursuant thereto and keeping in view the request of the Petitioner to also determine tariff for the period from July 1, 2026 to December 31, 2026, in accordance with the revised annual rebasing timelines, the Authority has also determined provisional revenue requirement of MEPCO for the period from July 1, 2026 to December 31, 2026 as under:

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

Description	Unit	July to December 2026 FY 2026-27
Pay & Allowances		10,804
Post Retirement Benefits		13,922
Repair & Maintainance		1,117
Traveling allowance		681
Vehicle maintenance		394
Other expenses		1,902
O&M Cost	[Mln. Rs.]	28,820
Depriciation		4,518
RORB		5,095
O.Income		(4,366)
Margin	[Mln. Rs.]	34,068

21.11. For the purpose of rebasing for the period from Jan. to Dec. 2026, the amount recovered by the Petitioner, to the extent of distribution and supply margin along-with PYA, from Jul. to Dec. 25, based on interim tariff allowed for the FY 2025-26, has been adjusted from the revised assessed tariff for the FY 2025-26. The recovered amount has been calculated by applying the Rs./kWh rate as per the interim tariff (to the extent of Distribution & Supply Margin and PYA), with the projected unit sales from July to December 2025.

21.12. The adjusted revenue requirement so worked out for the period from Jan. to Jun. 26 has been clubbed together with the provisional revenue requirement determined for the period from Jul. to Dec. 2026, to work out the overall revenue requirement of the Petitioner for the period from January 2026 to December 2026. The Schedule of Tariff (SoT) of the Petitioner has been designed accordingly.

21.13. Any under over recovery of the determined revenue requirement for the FY 2025-26, based on the allowed regulatory targets in terms of T&D losses, recovery etc., and provisional revenue requirement being allowed for the six months period i.e. from Jul. to Dec.26, would be adjusted subsequently, while determining the final revenue requirement of the Petitioner for the FY 2026-27.

22. <u>Order</u>

22.1. In view of the discussion made in preceding paragraphs and accounting for the adjustments discussed above, the allowed revenue requirement of the Petitioner, for the FY 2025-26 along-with upfront indexation/adjustment from July to December 2026 and Tarif table of CY 2026 (January 2026 to December 2026), to the extent of its Supply function is summarized as under;

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

Description	Unit	Revised Allowed FY 2025-26 SoP	Allowed CY 2026 SOP
Units Received	[MkWh]		18,427
Units Sold	[MkWh]		16,337
Units Lost	[MkWh]		2,090
Units Lost	[%]		11.34%
Energy Charge			149,524
Capacity Charge			290,152
Transmission Charge & Market Operation Fee			36,665
Power Purchase Price	[Mln. Rs.]		476,341
Wire Business Margin			59,107
Power Purchase Price with Wire Business	[Mln. Rs.]		535,448
Pay & Allowances		3,594	3,573
P.M Assistance Package			
Post Retirement Benefits		4,556	4,912
Repair & Maintainance		42	41
Traveling allowance		282	226
Vehicle maintenance		163	163
Other expenses		789	825
O&M Cost.	[Mln. Rs.]	9,427	9,740
Depriciation		169	184
RORB		225	214
O.Income		(5,675)	(5,548)
Margin	[Mln. Rs.]	4,145	4,590
Prior Year Adjustment			8,794
Working Capital	[Mln. Rs.]		(1,671)
Revenue Requirement	[Mln. Rs.]	4,145	547,161
Average Tariff	[Rs./kWh]		33.49

22.2. The above assessment has been carried out based on the data/information provided by the Petitioner, which the Authority believes is correct and based on facts. In case of any deviation / misrepresentation observed at a later stage, the Petitioner shall be held responsible for the consequences arising out, under NEPRA Act, Rules and Regulations made thereunder. Any consequential adjustment' if required will be made accordingly.

22.3. The Petitioner is directed to follow the following time lines for submission of its future indexation/adjustment during the MYT control period;

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

Description	Pass Through	ADJUSTMENTS/ INDEXATION	TIME LINES
Power Purchase Price	Pass through	The Authority, keeping in view of any abnormal changes may review Power Purchase Price references along with any Quarterly adjustment	
Fuel Cost		Monthly, as per the approved mechanism. Impact of FCA on T&D losses would be adjusted on Quarterly basis.	Data to be provided by CPPA (G) by close of the month
Variable O&M		Quarterly, as per the approved Quarterly adjustment mechanism.	Request to be furnished by the Petitioner not later than a period of 07 Days on Quarterly basis
Capacity Charges		Quarterly, as per the approved Quarterly adjustment mechanism.	Request to be furnished by the Petitioner not later than a period of 07 Days on Quarterly basis.
Transmission /UOSC & MOF Charges		Quarterly, as per the approved Quarterly adjustment mechanism.	Request to be furnished by the Petitioner not later than a period of 07 Days on Quarterly basis.
Margin			
Salaries, Wages & Benefits		Annually as per the mechanism given in the decision	Request to be submitted by Petitioner in end of July of every year, so that adjustment / indexation for the next year is determined in timely manner.
Post-retirement Benefit			
Other operating expenses			
Depreciation			
Return on Regulatory Asset Base			
Other Income			
Prior Year Adjustment		Annually as per the mechanism given in the decision	
KIBOR		Bi-Annually, as per the decision	
Return on Equity (ROE)		No adjustment allowed over Reference ROE	
Spread		As per the mechanism in the decision	

22.4. The Petitioner is responsible to provide distribution service within its service territory on a non-discriminatory basis to all the consumers who meet the eligibility criteria laid down by the Authority and make its system available for operation by any other licensee, consistent with applicable instructions established by the system operator.

22.5. The Petitioner is directed to ensure separate disclosure of each item in its audited financial statements as mentioned in the determination.

22.6. The Petitioner is also directed to ensure breakup of its Operating cost in terms of Distribution and Supply function separately in its audited financial statements.

22.7. The Petitioner shall follow the performance standards laid down by the Authority for distribution and transmission of electric power, including safety, health and environmental protection instructions issued by the Authority or any Governmental agency or Provincial Government;

22.8. The Petitioner shall ensure to develop, maintain and publicly make available, its investment program for satisfying its service obligations and acquiring and selling its assets.

22.9. The Petitioner shall disconnect the provision of electric power to a consumer for default in payment of power charges or to a consumer who is involved in theft of electric power on the request of Licensee.

22.10. The Petitioner shall comply with, all the existing or future applicable Rules, Regulations, orders of the Authority and other applicable documents as issued from time to time.

23. <u>Summary of Direction</u>

23.1. The Authority hereby directs the Petitioner;

i. To provide the reconciled date of sales mix for last 3 years with its reported revenue as per audited financial statements.

ii. To provide comprehensive reconciliation of PYA allowed under different heads for at least last 3 years with the revenue reported in audited accounts.

iii. To provide year wise detail of amounts deposited in the Fund, amount withdrawn along- with profit/interest earned thereon since creation of Fund each year.

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iv. To provide the amount of IDC capitalized with its subsequent adjustment request and reflect the same in its Audited Financial Statements each year.

v. To get its data, regarding units billed to lifeline consumers, domestic consumers (consuming up-to 300 units) and Agriculture consumers, reconciled with PITC and submit such reconciliation to the Authority every year.

vi. To provide a certification from its Auditors that Repair and Maintenance expenditure does not include any CAPEX nature item.

vii. To ensure that by the time it files its next tariff petition/ adjustment request, MDI for all consumers at all levels is properly recorded.

24. The Determination of the Authority, is hereby intimated to the Federal Government for filing of uniform tariff application in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

25. The instant determination of the Authority along-with order part and Annexures, be also notified in terms of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, while notifying the uniform tariff application decision of the Authority.

AUTHORITY

Amina Ahmed
Member

Engr. Maqsood Anwar Khan
Member

Waseem Mukhtar
Chairman

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Annex-I

FUEL PRICE ADJUSTMENT MECHANISM

Actual variation in fuel cost component against the reference fuel cost component for the corresponding months will be determined according to the following formula

Fuel Price variation = Actual Fuel Cost Component - Reference Fuel Cost Component

Where:

Fuel Price variation is the difference between actual and reference fuel cost component

Actual fuel cost component is the fuel cost component in the pool price on which the DISCOs will be charged by CPPA (G) and for fuel cost of energy procured through bilateral contracts, in a particular month; and

Reference fuel cost component is the fuel cost component for the corresponding month projected for the purpose of tariff determination;

The fuel price adjustment determined by the Authority shall be shown separately in the bill of the consumer and the billing impact shall be worked out on the basis of consumption by the consumer in the respective month.

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Annex-I-A

QUARTERLY ADJUSTMENT MECHANISM

Quarterly adjustment shall be the Actual variation in Power Purchase Price (PPP), excluding Fuel Cost Component, against the reference Power Purchase Price component and the impact of T&D losses on FCA, for the corresponding months and shall be determined according to the following formula;

Quarterly $PPP_{(Adj)}$ = $PPP_{(Actual)}$ (excluding Fuel cost)-$PPP_{(Recovered)}$ (excluding Fuel cost)

Where;

$PPP_{(Actual)}$ is the actual cost, excluding Fuel cost, invoiced by CPPA-G to XWDISCOs and for energy procured through bilateral contracts, adjusted for any cost disallowed by the Authority.

$PPP_{(Recovered)}$ is the amount recovered based on reference rate in Rs./kWh, excluding fuel cost, as per the tariff determination that remained notified during the period.

Impact of T&D losses on FCA

= Monthly FCA allowed$_{(Rs./kWh)}$ x Actual units Purchase x % T&D losses

Where;

Monthly FCA allowed $_{(Rs./kWh)}$ is the FCA allowed by the Authority for the respective months of the concerned period.

T&D Loss % is percentage of T&D losses that remained notified during the period.

The sum of amounts so worked for each month of the Quarter shall be divided by the Projected units to be sold as determined by the Authority to work out Rs./kWh Quarterly adjustment.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
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Multan Electric Power Company (MEPCO)
Estimated Sales Revenue on the Basis of New Tariff

Description	Sales GWh	Sales % Mix	Base Revenue Fixed Charge	Base Revenue Variable Charge	Base Revenue Total	Base Tariff Fixed Charge	Base Tariff Fixed Charge	Base Tariff Variable Charge	PYA 2025 Amount	PYA 2025 Variable Charge	Total Tariff Fixed Charge	Total Tariff Fixed Charge	Total Tariff Variable Charge
			Mln. Rs.	Mln. Rs.	Mln. Rs.	Rs./Con/ M	Rs./kW/ M	Rs./ kWh	Mln. Rs.	Rs./ kWh	Rs./Con/ M	Rs./kW/ M	Rs./ kW
Residential													
For peak load requirement less than 5 kW													
Protected													
Up to 50 Units - Life Line	55	0.34%	-	1,595	1,595	-	-	28.94	30	0.54	-	-	29.4
51-100 units - Life Line	75	0.46%	-	2,230	2,230	-	-	29.55	41	0.54	-	-	30.0
01-100 Units	3316	20.30%	-	107,214	107,214	-	-	32.34	1,785	0.54	-	-	32.8
101-200 Units	809	4.95%	-	26,055	26,055	-	-	32.20	436	0.54	-	-	32.7
Un-Protected													
01-100 Units	577	3.53%	-	18,829	18,829	-	-	32.62	311	0.54	-	-	33.1
101-200 Units	1257	7.70%	-	42,803	42,803	-	-	34.05	677	0.54	-	-	34.5
201-300 Units	1819	11.13%	-	62,115	62,115	-	-	34.15	979	0.54	-	-	34.6
301-400 Units	732	4.48%	428	24,472	24,901	200	-	33.43	394	0.54	200	-	33.9
401-500 Units	335	2.05%	314	11,061	11,376	400	-	33.01	180	0.54	400	-	33.5
501-600 Units	172	1.05%	210	5,650	5,861	600	-	32.81	93	0.54	600	-	33.3
601-700Units	102	0.62%	141	3,332	3,473	800	-	32.68	55	0.54	800	-	33.2
Above 700 Units	221	1.35%	256	7,184	7,439	1,000	-	32.51	119	0.54	1,000	-	33.0
For peak load requirement exceeding 5 kW)													
Time of Use (TOU) - Peak	84	0.51%	908	2,782	3,690	1,000	-	33.15	45	0.54	1,000	-	33.6
Time of Use (TOU) - Off-Peak	320	1.96%	-	9,798	9,798	1,000	-	30.62	172	0.54	1,000	-	31.1
Temporary Supply	1	0.00%	1	22	23	2,000	-	36.16	0	0.54	2,000	-	36.7
Total Residential	9,875	60.45%	2,258	325,144	327,403				5,315				
Commercial - A2													
For peak load requirement less than 5 kW	464	2.84%	6,090	10,311	16,401	1,000	-	22.23	250	0.54	1,000	-	22.7
For peak load requirement exceeding 5 kW						-	-						
Regular	0	0.00%	-	-	-	-	1,250	22.92	-	0.54	-	1,250	23.4
Time of Use (TOU) - Peak	131	0.80%	-	4,126	4,126	-	-	31.54	70	0.54	-	-	32.0
Time of Use (TOU) - Off-Peak	563	3.45%	4,438	13,313	17,752	-	1,250	23.65	303	0.54	-	1,250	24.1
Temporary Supply	12	0.07%	29	416	445	5,000	-	34.29	7	0.54	5,000	-	34.8
Electric Vehicle Charging Station	0	0.00%	-	0	0	-	-	15.97	0	0.54	-	-	16.5
Total Commercial	1,170	7.16%	10,557	28,166	38,724				630				
General Services-A3	365	2.24%	493	10,398	10,891	1,000	-	28.47	197	0.54	1,000	-	29.0
Industrial													
B1	19	0.11%	59	677	736	1,000	-	36.51	10	0.54	1,000	-	37.0
B1 Peak	38	0.23%	-	1,519	1,519	1,000	-	39.65	21	0.54	1,000	-	40.1
B1 Off Peak	236	1.45%	383.56	8,090	8,474	1,000	-	34.21	127	0.54	1,000	-	34.7
B2	0	0.00%	0	1	1	-	1,250	35.05	0	0.54	-	1,250	35.5
B2 - TOU (Peak)	139	0.85%	-	5,487	5,487	-	-	39.36	75	0.54	-	-	39.9
B2 - TOU (Off-peak)	761	4.66%	5,081	22,378	27,458	-	1,250	29.39	410	0.54	-	1,250	29.9
B3 - TOU (Peak)	172	1.05%	-	6,794	6,794	-	-	39.51	93	0.54	-	-	40.0
B3 - TOU (Off-peak)	900	5.51%	4,081	22,424	26,504	-	1,250	24.90	485	0.54	-	1,250	25.4
B4 - TOU (Peak)	96	0.59%	-	3,768	3,768	-	-	39.39	51	0.54	-	-	39.9
B4 - TOU (Off-peak)	489	2.99%	2,225	14,441	16,666	-	1,250	29.53	263	0.54	-	1,250	30.0
Temporary Supply	1	0.00%	2	28	30	5,000	-	40.42	0	0.54	5,000	-	40.9
Total Industrial	2,852	17.46%	11,831	85,607	97,438				1,535				
Single Point Supply													
C1(a) Supply at 400 Volts-less than 5 kW	0	0.00%	0	0	0	2,000	-	32.06	0	0.54	2,000	-	32.6
C1(b) Supply at 400 Volts-exceeding 5 kW	1	0.01%	4	22	26	-	1,250	18.55	1	0.54	-	1,250	19.0
Time of Use (TOU) - Peak	6	0.04%	-	172	172	-	-	30.02	3	0.54	-	-	30.5
Time of Use (TOU) - Off-Peak	34	0.21%	80	811	890	-	1,250	23.67	18	0.54	-	1,250	24.2
C2 Supply at 11 kV	1	0.03%	2	13	15	-	1,250	19.26	0	0.54	-	1,250	19.7
Time of Use (TOU) - Peak	36	0.22%	-	1,165	1,165	-	-	32.59	19	0.54	-	-	33.1
Time of Use (TOU) - Off-Peak	170	1.04%	811	2,897	3,708	-	1,250	17.02	92	0.54	-	1,250	17.5
C3 Supply above 11 kV	0	0.00%	-	-	-	-	1,250	27.26	-	0.54	-	1,250	27.8
Time of Use (TOU) - Peak	6	0.04%	-	230	230	-	-	36.99	3	0.54	-	-	37.5
Time of Use (TOU) - Off-Peak	29	0.17%	128	723	851	-	1,250	25.32	15	0.54	-	1,250	25.8
Total Single Point Supply	283	1.73%	1,025	6,033	7,058				152				
Agricultural Tube-wells - Tariff D													
Scarp	0	0.00%	-	1	1	-	-	22.63	0	0.54	-	-	23.1
Time of Use (TOU) - Peak	1	0.01%	-	18	18	-	-	19.81	0	0.54	-	-	20.3
Time of Use (TOU) - Off-Peak	18	0.11%	26	315	341	-	400	17.64	10	0.54	-	400	18.1
Agricultual Tube-wells	0	0.00%	0	8	9	-	400	30.16	0	0.54	-	400	30.6
Time of Use (TOU) - Peak	247	1.51%	-	8,395	8,395	-	-	33.96	133	0.54	-	-	34.4
Time of Use (TOU) - Off-Peak	1461	8.94%	3,360	42,930	46,290	-	400	29.39	786	0.54	-	400	29.9
Total Agricultural	1,727	10.57%	3,386	51,667	55,053				929				
Public Lighting - Tariff G	60	0.37%	36	1,644	1,680	2,000	-	27.18	33	0.54	2,000	-	27.7
Residential Colonies	5	0.03%	2	119	121	2,000	-	22.52	3	0.54	2,000	-	23.0
Railway Traction	0	0.00%	-	-	-	2,000	-	25.45	-	0.54	2,000	-	25.9
	66	0.40%	38	1,764	1,802				35				
Pre-paid Supply Tariff													
Residential	-	-	-	-	-	1,000	-	37.94	-	0.54	1,000	-	38.4
Commercial - A2	-	-	-	-	-	-	1,250	27.77	-	0.54	-	1,250	28.3
General Services - A3	-	-	-	-	-	1,000	-	32.82	-	0.54	1,000	-	33.3
Industrial	-	-	-	-	-	-	1,250	34.60	-	0.54	-	1,250	35.1
Single Point Supply	-	-	-	-	-	-	1,250	24.63	-	0.54	-	1,250	25.1
Agriculture Tube-wells - Tariff D	-	-	-	-	-	-	400	34.49	-	0.54	-	400	35.0
Grand Total	16,337	100%	29,589	508,778	538,367				8,794				

Note: The PYA 2025 column shall cease to exist after One (01) year of notification of the instant decision.

Mathi

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SCHEDULE OF ELECTRICITY TARIFFS FOR MULTAN ELECTRIC POWER COMPANY (MEPCO)

A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs / Cons / M	FIXED CHARGES Rs / kW / M	VARIABLE CHARGES Rs/kWh		FTA 2025 Rs/kWh		Total Variable Charges Rs/kWh	
		A	B	C		D		E=C+D	
a)	For Sanctioned load less than 5 kW								
i	Up to 50 Units - Life Line (Protected)	-		28.94		0.54		29.48	
ii	51 - 100 Units - Life Line (Protected)	-		29.55		0.54		30.09	
iii	001 - 100 Units (Protected)	-		32.34		0.54		32.87	
iv	101 - 200 Units (Protected)	-		32.20		0.54		32.74	
v	001 - 100 Units (Un-Protected)	-		32.62		0.54		33.16	
vi	101 - 200 Units (Un-Protected)	-		34.05		0.54		34.58	
iv	201 - 300 Units (Un-Protected)	-		34.15		0.54		34.69	
viii	301 - 400 Units (Un-Protected)	200		33.43		0.54		33.97	
ix	401 - 500 Units (Un-Protected)	400		33.01		0.54		33.55	
x	501 - 600 Units (Un-Protected)	600		32.81		0.54		33.35	
xi	601 - 700 Units (Un-Protected)	800		32.68		0.54		33.21	
vi	Above 700 Units (Un-Protected)	1,000		32.51		0.54		33.05	
b)	For Sanctioned load 5 kW & above			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
	Time Of Use	1,000		33.16	30.62	0.54	0.54	33.69	31.16
c)	Pre-Paid Residential Supply Tariff	1,000		37.94		0.54		38.48	

As per Authority's decision only protected residential consumers will be given the benefit of one previous slab.

As per Authority's decision, residential life line consumer will not be given any slab benefit.
Under tariff A-1, there shall be minimum monthly customer charge at the following rates even if no energy is consumed. For consumers where monthly Fixed charges are applicable, no minimum charges shall be applicable on such consumers, even if no energy 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 / Cons / M	FIXED CHARGES Rs / kW / M	VARIABLE CHARGES Rs/kWh		FTA 2025 Rs/kWh		Total Variable Charges Rs/kWh	
		A	B	C		D		E=C+D	
a)	For Sanctioned load less than 5 kW	1,000		22.23		0.54		22.77	
b)	For Sanctioned load 5 kW & above		1,250	22.92		0.54		23.46	
				Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
c)	Time Of Use	-	1,250	31.54	23.65	0.54	0.54	32.08	24.19
d)	Electric Vehicle Charging Station	-	-	15.97		0.54		16.51	
e)	Pre-Paid Commercial Supply Tariff		1,250	27.77		0.54		28.31	

Where Fixed Charges are applicable Rs./kW/Month, the charges shall be billed based on 25% of sanctioned Load or Actual MDI for the month which ever is higher.

A-3 GENERAL SERVICES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs / Cons / M	FIXED CHARGES Rs / kW / M	VARIABLE CHARGES Rs/kWh	FTA 2025 Rs/kWh	Total Variable Charges Rs/kWh
		A	B	C	D	E=C+D
a)	General Services	1,000	-	28.47	0.54	29.01
b)	Pre-Paid General Services Supply Tariff	1,000	-	32.82	0.54	33.36

Where Fixed Charges are applicable Rs./kW/Month, the charges shall be billed based on 25% of sanctioned Load or Actual MDI for the month which ever is higher.

B INDUSTRIAL SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs / Cons / M	FIXED CHARGES Rs / kW / M	VARIABLE CHARGES Rs/kWh		FTA 2025 Rs/kWh		Total Variable Charges Rs/kWh	
		A	B	C		D		E=C+D	
B1	Upto 25 kW (at 400/230 Volts)	1,000	-	36.51		0.54		37.05	
B2(a)	exceeding 25-500 kW (at 400 Volts)	-	1,250	35.05		0.54		35.59	
	Time Of Use			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
B1 (b)	Up to 25 KW	1,000		39.65	34.21	0.54	0.54	40.19	34.75
B2(b)	exceeding 25-500 kW (at 400 Volts)	-	1,250	39.36	29.39	0.54	0.54	39.90	29.93
B3	For All Loads up to 5000 kW (at 11,33 kV)	-	1,250	39.51	24.90	0.54	0.54	40.04	25.44
B4	For All Loads (at 66,132 kV & above)	-	1,250	39.39	29.53	0.54	0.54	39.93	30.07
Pre-Paid Industrial Supply Tariff		-	1,250	34.60		0.54		35.14	

Where Fixed Charges are applicable Rs./kW/Month, the charges shall be billed based on 25% of sanctioned Load or Actual MDI for the month which ever is higher.

C - SINGLE-POINT SUPPLY

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs / Cons / M	FIXED CHARGES Rs / kW / M	VARIABLE CHARGES Rs/kWh		FTA 2025 Rs/kWh		Total Variable Charges Rs/kWh	
		A	B	C		D		E=C+D	
C-1	For supply at 400/230 Volts								
a)	Sanctioned load less than 5 kW	2,000		32.06		0.54		32.60	
b)	Sanctioned load 5 kW & up to 500 kW	-	1,250	18.55		0.54		19.09	
C-2(a)	For supply at 11,33 kV up to and including 5000 kW	-	1,250	19.26		0.54		19.79	
C-3(a)	For supply at 66 kV & above and sanctioned load above 5000 kW	-	1,250	27.26		0.54		27.80	
	Time Of Use			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
C-1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	-	1,250	30.02	23.67	0.54	0.54	30.56	24.21
C-2(b)	For supply at 11,33 kV up to and including 5000 kW	-	1,250	32.59	17.02	0.54	0.54	33.13	17.56
C-3(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	-	1,250	36.99	25.32	0.54	0.54	37.53	25.86
Pre-Paid Bulk Supply Tariff			1,250	24.63		0.54		25.17	

Where Fixed Charges are applicable Rs./kW/Month, the charges shall be billed based on 25% of sanctioned Load or Actual MDI for the month which ever is higher.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
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59-

SCHEDULE OF ELECTRICITY TARIFFS
FOR MULTAN ELECTRIC POWER COMPANY (MEPCO)

D - AGRICULTURE TARIFF

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs / Cons / M	FIXED CHARGES Rs / kW / M	VARIABLE CHARGES Rs/kWh		PYA 2025 Rs/kWh		Total Variable Charges Rs/kWh	
		A	B	C		D		E=C+D	
D-1(a)	SCARP less than 5 kW	-	-	22.63		0.54		23.16	
D-2 (a)	Agricultural Tube Wells	-	400	30.16		0.54		30.69	
				Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
D-1(b)	SCARP 5 kW & above	-	400	19.81	17.64	0.54	0.54	20.35	18.18
D-2 (b)	Agricultural 5 kW & above	-	400	33.95	29.39	0.54	0.54	34.49	29.93
Pre-Paid for Agri & Scarp		-	400	34.49		0.54		35.03	

Under this tariff, there shall be minimum monthly charges Rs.2000/- 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 Rs / Cons / M	FIXED CHARGES Rs / kW / M	VARIABLE CHARGES Rs/kWh	PYA 2025 Rs/kWh	Total Variable Charges Rs/kWh
		A	B	C	D	E=C+D
E-1(i)	Residential Supply	2,000		36.16	0.54	36.70
E-1(ii)	Commercial Supply	5,000		34.29	0.54	34.83
E-2	Industrial Supply	5,000		40.42	0.54	40.96

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 / Cons / M	FIXED CHARGES Rs / kW / M	VARIABLE CHARGES Rs/kWh	PYA 2025 Rs/kWh	Total Variable Charges Rs/kWh
		A	B	C	D	E=C+D
	Street Lighting	2,000		37.18	0.54	37.72

H - RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs / Cons / M	FIXED CHARGES Rs / kW / M	VARIABLE CHARGES Rs/kWh	PYA 2025 Rs/kWh	Total Variable Charges Rs/kWh
		A	B	C	D	E=C+D
	Residential Colonies attached to industrial premises	2,000.00		22.51	0.54	23.05

I - RAILWAY TRACTION

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs / Cons / M	FIXED CHARGES Rs / kW / M	VARIABLE CHARGES Rs/kWh	PYA 2025 Rs/kWh	Total Variable Charges Rs/kWh
		A	B	C	D	E=C+D
	Railway Traction	2,000.00		25.45	0.538	25.99

Note: The PYA 2025 column shall cease to exist after One (01) year of notification of the instant decision.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

MEPCO

Description	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Total
Units Purchased by DISCOs (GWh)	910	774	1,132	1,644	1,996	2,143	2,138	2,186	1,992	1,571	1,038	902	18,427

Fuel Cost Component	10.3954	6.7337	7.9952	8.2498	8.4315	7.7138	7.0929	7.0998	7.4596	7.8696	6.2441	8.0165	7.7208
Variable O&M	0.3912	0.2967	0.3527	0.3719	0.4775	0.4390	0.4029	0.3880	0.3916	0.4249	0.3019	0.3211	0.3935
Capacity	20.7816	25.5958	19.8383	16.1204	13.2923	12.3384	12.8215	12.1059	13.5867	16.6733	23.0583	20.4208	15.7459
UoSC	2.2664	2.5547	2.2180	2.0542	1.8854	1.8143	1.8168	1.6650	1.8841	2.0921	2.4039	2.2461	1.9898
Total PPP in Rs. / kWh	33.8345	35.1810	30.4041	26.7963	24.0868	22.3054	22.1340	21.2589	23.3220	27.0599	32.0082	31.0045	25.8500

Fuel Cost Component	9,463	5,209	9,048	13,561	16,826	16,529	15,166	15,535	14,857	12,361	6,482	7,235	142,273
Variable O&M	356	230	399	611	953	941	861	849	780	667	313	290	7,251
Capacity	18,919	19,798	22,452	26,498	26,527	26,438	27,415	26,490	27,061	26,190	23,935	18,429	290,152
UoSC	2,063	1,976	2,510	3,377	3,763	3,888	3,885	3,643	3,753	3,286	2,495	2,027	36,665
Total PPP in Rs. Mln	30,801	27,213	34,409	44,047	48,069	47,795	47,327	46,518	46,450	42,505	33,225	27,981	476,341

It is clarified that PPP is pass through for all DISCOs and its monthly references would continue to exist irrespective of the financial year, unless the new SOT is revised and notified by the GoP

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

Annex-V

TERMS AND CONDITIONS OF TARIFF
(FOR SUPPLY OF ELECTRIC POWER TO CONSUMERS BY LICENSEES)
PART-I

GENERAL DEFINITIONS

The Company, for the purposes of these terms and conditions means MEPCO engaged in the business of distribution/supply 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 31 days or less reckoned from the date of last meter reading.

   If, for any reason, the scheduled reading period of a consumer exceeds the number of days in a calendar month, the total consumption should be prorated to match the number of days in that calendar month for determining the applicable slab rate and same be used for actual billing purpose.

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 25% of the sanction load or Actual maximum demand recorded in a month, whichever is higher, except in the case of agriculture tariff D2 where "Billing Demand" shall mean the sanctioned load.

   Provided that for the purpose of fixed charges sanctioned load means maximum demand recorded during preceding 60 months.

   Provided further that in case of new connections or consumers who have renewed/revised their sanctioned load, the fixed charges will be charged on 25% of the sanctioned load or actual maximum demand recorded in a month, whichever is higher. However, upon establishment of MDI in next six months, the adjustment of fixed charges will be made accordingly by the DISCO."

   Provided also that consumers having alternate/ dual source i.e. captive power, net metering etc. the existing mechanism of fixed charges shall remain the same i.e. the 25% of the sanctioned load or actual maximum demand recorded in a month, whichever is higher.

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.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

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	OFF-PEAK TIMING
Dec to Feb (inclusive)	5 PM to 9 PM	Remaining 20 hours of the day
Mar to May (inclusive)	6 PM to 10 PM	-do-
June to Aug (inclusive)	7 PM to 11 PM	-do-
Sept to Nov (inclusive)	6 PM to 10 PM	-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 5 kW and above supply shall be given at three-phase.

12. "Consumer" as defined in NEPRA Act.

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 Despatch Company.

15. CPPA(G) means Central Power Purchasing Agency Guarantee Limited (CPPA)(G).

16. The "Authority" means "The National Electric Power Regulatory Authority (NEPRA)" constituted under the Regulation of Generation, Transmission and Distribution of Electric Power Act.

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 (LPS) of 5% may be levied for next three (03) days after the due date and thereafter 10% LPS may be charged on the amount billed excluding Govt. taxes 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%. In the event of the said Power factor falling below 90%, 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%.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

PART-II

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

A-1 RESIDENTIAL

Definition

"Life Line Consumer" means those residential consumers having single phase electric connection with a sanctioned load up to 1 kW.

The lifeline consumers to include residential Non-Time of Use (Non-ToU) consumers having maximum of last twelve months and current month's consumption ≤100 units; two rates for ≤ 50 and ≤100 units will continue.

"Protected consumers" mean Non-ToU residential consumers consuming ≤ 200 kWh per month consistently for the past 6 months.

Residential Non-ToU consumers not falling under the protected category would be categorized under "Un-protected consumer category".

1. This Tariff is applicable for supply to;
   i) Residences,
   ii) Places of worship,
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 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.

A-2 COMMERCIAL

1. This tariff is applicable for supply to commercial offices and commercial establishments such as:
   i) Shops/Flower Nurseries/Cold Storage
   ii) Hotels, Hostels 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.
   ix) Electric Vehicle Charging Stations (EVCS)
2. Electric Vehicle Charging Stations shall be billed under A-2(d) tariff i.e. Rs./kWh for peak and off-peak hours. For the time being, the tariff design is with zero fixed

NEPRA AUTHORITY

64-

charges, however, in future the Authority after considering the ground situation may design its tariff structure on two part basis i.e. fixed charges and variable charges.

3. The Electric Vehicle Charging Station shall provide "charging service" to Electric Vehicle shall provide charging service to Electric Vehicles as per the applicable tariff for EVCS category, plus margin, to be determined by the market forces itself. The EVCS shall be billed by DISCOS under A-2(d) tariff. However, monthly FCAs either positive or negative shall not be applicable on EVCS.
4. 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)
5. 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).
6. The existing and prospective consumers having load of 5 kW and above shall be provided T.O.U metering arrangement and shall be billed under tariff A-2(c).

A-3 GENERAL SERVICES

1. This tariff is applicable to;

   i. Approved religious and charitable institutions

   ii. Government and Semi-Government offices and Institutions

   iii. Government Hospitals and dispensaries

   iv. Educational institutions

   v. Water Supply schemes including water pumps and tube wells other than those meant for the irrigation or reclamation of Agriculture land.

Consumers under General Services (A-3) shall be billed on single-part kWh rate i.e. A-3(a) tariff.

B INDUSTRIAL SUPPLY

Definitions

1. "Industrial Supply" means the supply for bona fide industrial purposes in factories including the supply required for the offices inside the premises and for normal working of the industry.
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, fish farms, fish nurseries & 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 upto 25 kW.
2. Consumers having sanctioned load upto 25 kW shall be billed on single-part kWh rate.
3. Consumers under tariff B-1 having sanctioned load of less than 5 kW shall be billed under a Single-Part kWh rate. However, B-1 consumers having sanctioned load of less than 5 kW may opt for ToU meter
4. The existing and prospective consumers having load of 5 kW and above shall be provided T.O.U metering arrangement and shall be billed under tariff B1(b).

B-2 SUPPLY AT 400 VOLTS

1. This tariff is applicable for supply to Industries having sanctioned load of more than 25 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.
3. All new applicants i.e. prospective consumers applying for service to the Company 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 5 MW and also for Industries having sanctioned load of 500 kW or below who opt for receiving supply at 11 kV or 33 kV.
2. The consumers may be allowed extension of load beyond 5MW upto 7.5MW from the DISCO's owned grid station subject to availability of load in the grid and capacity in the 11kV existing dedicated feeder. In such a case the consumer will bear 100% grid sharing charges including transmission line charges and 100% cost of land proportionate to load. While allowing extension in load, the DISCOs shall ensure that no additional line losses are incurred and additional loss, if any, shall be borne by the respective consumers.
3. 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.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY NEPRA AUTHORITY

4. 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 Eligibility Criteria laid down by the Authority read with Consumer Service Manual (CSM).

5. 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 5MW receiving supply at 66 kV, 132 kV and above and also for Industries having load of 5MW 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 Eligibility Criteria laid down by the Authority read with CSM, 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 Eligibility Criteria laid down by the Authority read with CSM.

4. All B-4 Industrial Consumers shall be billed on the basis of two-part T.O.U tariff.

C BULK SUPPLY

"Bulk Supply" for the purpose of this Tariff, means the supply given at one point for self-consumption to mix-load consumer not selling to any other consumer such as residential, commercial, tube-well and others.

General Conditions

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-I SUPPLY AT 400/230 VOLTS

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

1. This Tariff is applicable to a consumer having a 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-I(a) tariff.

3. All new consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangement 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.

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 more than 500 kW up to and including 5 MW.

2. The consumers may be allowed extension of load beyond 5MW upto 7.5MW from the DISCO's owned grid station subject to availability of load in the grid and capacity in the 11kV existing dedicated feeder. In such a case the consumer will bear 100% grid sharing charges including transmission line charges and 100% cost of land proportionate to load. However, only such consumers be allowed extension of load beyond 5MW upto 7.5MW whose connection is at least three (3) years old. While allowing extension in load, the DISCOs shall ensure that no additional line losses are incurred and additional loss, if any, shall be borne by the respective consumers.

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 Eligibility Criteria laid down by the Authority read with CSM.

4. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff C-2(b) as set out in the Schedule of Tariff.

5. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to C-2(b).

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 Eligibility Criteria laid down by the Authority read with CSM, 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

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

68-

necessary equipment and apparatus if so provided and installed by the Company. The recovery of cost of service connection shall be regulated by Eligibility Criteria laid down by the Authority read with CSM.

3. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to C-3(b).

4. All new consumers shall be provided TOU metering arrangement 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) Bona fide forests, agricultural tube-wells and lift irrigation pumps for the irrigation of agricultural land.
   iii) Tube-wells meant for aqua-culture.
   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

1. This tariff is applicable to all Reclamation and Drainage Operation pumping under SCARP related installation.
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.
3. All new consumers having sanctioned load 5 kW and above shall be provided TOU metering arrangement and shall be charged on the basis of Time-of- Use (T.O.U) tariff D-1(b) given in the Schedule of Tariff.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY NEPRA AUTHORITY

69-

4. All the existing consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangements and shall be governed by D-1(a) till that time.

D-2

1. This tariff is applicable to consumers falling under Agriculture Supply excluding SCARP related installations.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. D-2(a) tariff given in the Schedule of Tariff.
3. All new consumers having sanctioned load 5 kW and above shall be provided TOU metering arrangement and shall be charged on the basis of Time-of- Use (T.O.U) tariff D- 2(b) given in the Schedule of Tariff.
4. All the existing consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangements and shall be governed by D-2(a) till that time.

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, exhibitions, political gathering, marriages and other civil or military functions. This also includes supply to touring cinemas and persons engaged in construction of house/buildings/plazas of single phase loads. A temporary electric power supply connection for the construction shall be provided by Distribution company initially for a period of six months which is further extendable on three month basis up to completion of the specific job/project for which the temporary connection was obtained. However, there is no minimum time period for provision of temporary connection. The temporary connection for illumination, lighting, weddings, festivals, functions, exhibitions, political gatherings or national and religious ceremonies, civil or military functions etc., testing of industrial equipment or any other emergent requirement of temporary nature, can be provided for specific time period not exceeding two weeks. The sanctioning officer shall ensure that the temporary connection will be utilized for temporary purpose only.

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.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY NEPRA AUTHORITY

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

"Year" means any period comprising twelve consecutive months.

1. 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 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

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

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. The supply under this tariff shall also be applicable for lamps used in public playgrounds and public parks.

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 by 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 heated, 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.

TARCTION

Supply under this tariff means supply of power in bulk to Railways for Railway Traction only.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
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AUTHORITY

ANNEX-VI

Annex-VI (Working of PYA)

Description	Units	MEPCO
FY 2023-24 Purc. & Sales		
July		
Purchases		2,510
T&D Losses		11.83%
Sales after Losses		2,213
Sales net of Incremental units		2,148
ISP Sales		65.83
FCA - Rs./kWh		1.47
FCA Impact - Rs. Mln		22.7
Life Line		15.5
Prep-EVCs		-
Protec.-upto 300 + Agri		1,056.4
Units		15.5
August		
Purchases		2,674
T&D Losses		11.83%
Sales after Losses		2,357
Sales net of Incremental units		2,262
ISP Sales		95.69
FCA - Rs./kWh		1.72
FCA Impact - Rs. Mln		24.4
Life Line		14.2
Prep-EVCs		-
Protec.-upto 300 + Agri		1,273.0
Units		14.2
September		
Purchases		2,216
T&D Losses		11.83%
Sales after Losses		1,954
Sales net of Incremental units		1,876
ISP Sales		77.57
FCA - Rs./kWh		0.41
FCA Impact - Rs. Mln		5.8
Life Line		14.3
Prep-EVCs		-
Protec.-upto 300 + Agri		1,133.2
Units		14.3
October		
Purchases		1,587
T&D Losses		11.83%
Sales after Losses		1,400
Sales net of Incremental units		1,330
ISP Sales		69.25
FCA - Rs./kWh		3.12
FCA Impact - Rs. Mln		44.0
Life Line		14.1
Prep-EVCs		-
Protec.-upto 300 + Agri		945.3
Units		14.1
November		
Purchases		1,061
T&D Losses		11.83%
Sales after Losses		935
Sales net of Incremental units		935
ISP Sales		-
FCA - Rs./kWh		4.15
FCA Impact - Rs. Mln		42.1
Life Line		10.2
Prep-EVCs		-
Protec.-upto 300 + Agri		679.2
Units		10.2
December		
Purchases		496
T&D Losses		11.83%
Sales after Losses		437
Sales net of Incremental units		437
ISP Sales		-
FCA - Rs./kWh		4.56
FCA Impact - Rs. Mln		29.4
Life Line		6.4
Prep-EVCs		-
Protec.-upto 300 + Agri		515.4
Units		6.4
January		
Purchases		1,031
T&D Losses		11.83%
Sales after Losses		909
Sales net of Incremental units		909
ISP Sales		-
FCA - Rs./kWh		7.08
FCA Impact - Rs. Mln		53.2
Life Line		7.5
Prep-EVCs		-
Protec.-upto 300 + Agri		523.7
Units		7.5
February		
Purchases		906
T&D Losses		11.83%
Sales after Losses		799
Sales net of Incremental units		799
ISP Sales		-
FCA - Rs./kWh		4.93
FCA Impact - Rs. Mln		35.3
Life Line		7.2
Prep-EVCs		-
Protec.-upto 300 + Agri		518.6
Units		7.2

Date: 7

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
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ANNEX-VI

Annex-VI (Working of PYA

Description	Units	MEPCO
March		
Purchases		1,173
T&D Losses		11.83%
Sales after Losses		1,034
Sales net of Incremental units		1,031
ISP Sales		-
FCA - Rs./kWh		2.85
FCA Impact - Rs. Mln		23.1
Life Line		8.1
Prep-EVCs		-
Protec.-upto 300 + Agri		598.3
Units		8.1
April		
Purchases		1,428
T&D Losses		11.83%
Sales after Losses		1,259
Sales net of Incremental units		1,259
ISP Sales		-
FCA - Rs./kWh		3.35
FCA Impact - Rs. Mln		42.0
Life Line		12.5
Prep-EVCs		-
Protec.-upto 300 + Agri		811.1
Units		12.5
May		
Purchases		2,161
T&D Losses		11.83%
Sales after Losses		1,905
Sales net of Incremental units		1,905
ISP Sales		-
FCA - Rs./kWh		3.33
FCA Impact - Rs. Mln		44.4
Life Line		13.3
Prep-EVCs		-
Protec.-upto 300 + Agri		529.7
Units		13.3
June		
Purchases		2,106
T&D Losses		11.83%
Sales after Losses		1,857
Sales net of Incremental units		1,857
ISP Sales		-
FCA - Rs./kWh		2.56
FCA Impact - Rs. Mln		33.5
Life Line		13.1
Prep-EVCs		-
Protec.-upto 300 + Agri		648.4
Units		13.1
4. FY 2024-25 - Purch & Sales [illegible]		
July		
Purchases		2,423
T&D Losses		11.34%
Sales after Losses		2,148
Sales net of Incremental units		2,148
ISP Sales		
FCA - Rs./kWh		0.37
FCA Impact - Rs. Mln		427.4
Life Line		12.6
Prep-EVCs		-
Protec.-upto 300 + Agri		1,091.6
Units		1,104.4
August		
Purchases		2,001
T&D Losses		11.34%
Sales after Losses		1,774
Sales net of Incremental units		1,774
ISP Sales		
FCA - Rs./kWh		0.87
FCA Impact - Rs. Mln		885.3
Life Line		13.4
Prep-EVCs		-
Protec.-upto 300 + Agri		1,002.9
Units		1,016.3
September		
Purchases		1,988
T&D Losses		11.34%
Sales after Losses		1,762
Sales net of Incremental units		1,762
ISP Sales		
FCA - Rs./kWh		1.28
FCA Impact - Rs. Mln		1,356.1
Life Line		13.3
Prep-EVCs		-
Protec.-upto 300 + Agri		1,047.0
Units		1,060.4
October		
Purchases		1,574
T&D Losses		11.34%
Sales after Losses		1,395
Sales net of Incremental units		1,395
ISP Sales		
FCA - Rs./kWh		1.14
FCA Impact - Rs. Mln		1,103.5
Life Line		13.3
Prep-EVCs		-
Protec.-upto 300 + Agri		955.7
Units		969.0
November		
Purchases		1,049
T&D Losses		11.34%
Sales after Losses		930
Sales net of Incremental units		930
ISP Sales		-
FCA - Rs./kWh		0.80
FCA Impact - Rs. Mln		551.8
Life Line		9.7
Prep-EVCs		-
Protec.-upto 300 + Agri		677.6
Units		687.3

Note · 9

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
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ANNEX_VI

Annex-VI (Working of PYA

December

Purchases	910
T&D Losses	11.34%
Sales after Losses	807
Sales net of Incremental units	786
ISP Sales	21.33
FCA - Rs./kWh	1.29
FCA Impact - Rs. Mln	618.7
Life Line	6.0
Prep+EVCs	-
Protec.-upto 300 + Agri	471.0
Units	477.0

January

Purchases	923
T&D Losses	11.34%
Sales after Losses	818
Sales net of Incremental units	796
ISP Sales	22.35
FCA - Rs./kWh	2.27
FCA Impact - Rs. Mln	1,040.3
Life Line	7.2
Prep+EVCs	-
Protec.-upto 300 + Agri	472.3
Units	479.5

February

Purchases	794
T&D Losses	11.34%
Sales after Losses	704
Sales net of Incremental units	683
ISP Sales	21.34
FCA - Rs./kWh	0.59
FCA Impact - Rs. Mln	218.2
Life Line	6.8
Prep+EVCs	-
Protec.-upto 300 + Agri	428.9
Units	435.7

March

Purchases	1,161
T&D Losses	11.34%
Sales after Losses	1,029
Sales net of Incremental units	1,029
ISP Sales	-
FCA - Rs./kWh	0.35
FCA Impact - Rs. Mln	3.2
Life Line	9.0
Prep+EVCs	-
Protec.-upto 300 + Agri	564.1
Units	573.1

April

Purchases	1,695
T&D Losses	11.34%
Sales after Losses	1,503
Sales net of Incremental units	1,503
ISP Sales	-
FCA - Rs./kWh	0.09
FCA Impact - Rs. Mln	12.3
Life Line	13.9
Prep+EVCs	-
Protec.-upto 300 + Agri	921.6
Units	13.9

May

Purchases	2,032
T&D Losses	11.34%
Sales after Losses	1,802
Sales net of Incremental units	1,802
ISP Sales	-
FCA - Rs./kWh	0.54
FCA Impact - Rs. Mln	7.1
Life Line	13.2
Prep+EVCs	-
Protec.-upto 300 + Agri	987.1
Units	1,000.2

June

Purchases	2,163
T&D Losses	11.34%
Sales after Losses	1,918
Sales net of Incremental units	1,918
ISP Sales	-
FCA - Rs./kWh	0.82
FCA Impact - Rs. Mln	11.4
Life Line	13.8
Prep+EVCs	-
Protec.-upto 300 + Agri	1,017.1
Units	1,030.9

FY 2025-26

July

Purchases	2,151
T&D Losses	11.34%
Sales after Losses	1,907
Sales net of Incremental units	1,907
ISP Sales	-
FCA - Rs./kWh	1.42
FCA Impact - Rs. Mln	22.9
Life Line	12.5
Prep+EVCs	-
Protec.-upto 300 + Agri	1,025.3
Units	1,037.8

August

Purchases	2,200
T&D Losses	11.34%
Sales after Losses	1,951
Sales net of Incremental units	1,951
ISP Sales	-
FCA - Rs./kWh	0.05
FCA Impact - Rs. Mln	0.6
Life Line	13.4
Prep+EVCs	-
Protec.-upto 300 + Agri	1,131.6
Units	13.1

September

Purchases	1,850
T&D Losses	11.34%
Sales after Losses	1,640
Sales net of Incremental units	1,640
ISP Sales	-
FCA - Rs./kWh	0.53
FCA Impact - Rs. Mln	6.6
Life Line	12.1
Prep+EVCs	-
Protec.-upto 300 + Agri	1,013.9
Units	1,026.4

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
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ANNEX-VI

Annex-VI (Working of PYA

Description	Unit	MEPCO
October		
Purchases		-
T&D Losses		-
Sales after Losses		-
Sales net of Incremental units		-
DP Sales		-
FCA - Rs./kWh		-
FCA Impact - Rs. Mln		-
Life Line		11.5
Prem-LVCs		-
Protec.-upto 300 - Agri		815.3
Units		11.3
4th Qtr. FY 2022-23 (Oct. 23 to Mar. 24)		
Allowed Amount		25,330
Qtr. Rs./kWh		3.97
Recovered		23,042
Under/(Over) Recovery		2,288
1st Qtr. FY 2023-24 (Jan. Mar. 24)		
Allowed Amount		- 538
Qtr. Rs./kWh		- 0.19
Recovered		- 513
Under/(Over) Recovery		- 25
2nd Qtr. FY 2023-24 (Apr. Jun. 24)		
Allowed Amount		15,233
Qtr. Rs./kWh		2.7063
Recovered		13,484
Under/(Over) Recovery		1,749
3rd Qtr. FY 2023-24 (Jun. Aug. 24)		
Allowed Amount		3,317
Qtr. Rs./kWh		0.46
Recovered		2,643
Under/(Over) Recovery		674
4th Qtr. FY 2023-24 (Sep. Nov. 24)		
Allowed Amount		7,967
Qtr. Rs./kWh		1.41
Recovered		7,352
Under/(Over) Recovery		615
1st Qtr. FY 2024-25 (Dec. 24)		
Allowed Amount		3,696
Qtr. Rs./kWh		4.34
Recovered		3,402
Under/(Over) Recovery		294
2nd Qtr. FY 2024-25 (Apr. Jun. 25)		
Allowed Amount		- 10,709
Qtr. Rs./kWh		- 2.00
Recovered		- 10,375
Under/(Over) Recovery		- 334
3rd Qtr. FY 2024-25 (May. July. 25)		
Allowed Amount		- 15,778
Qtr. Rs./kWh		- 2.58
Recovered		- 14,410
Under/(Over) Recovery		- 1,368
Impact of Negative FCA		
March 2024 to September 2025		-
Positive FCA Impact to be allowed		13
Negative FCA Impact retained	Rs. Mln	- 51
Net Impact	Rs. Mln	- 38
FCA Impact -Adjusted as PYA	Rs. Mln	- 38
D.M FY 2023-24		
Allowed Amount	Rs. Mln	46,391
Rate. Rs./kWh	Rs./kWh	2.40
Recovered	Rs. Mln	41,053
Under/(Over) Recovery	Rs. Mln	5,338
D.M FY 2024-25		
Allowed Amount	Rs. Mln	56,902
Rate. Rs./kWh	Rs./kWh	3.10
Recovered	Rs. Mln	51,200
Under/(Over) Recovery	Rs. Mln	5,702
PYA 2023-24		-
Allowed Amount	Rs. Mln	20,756
Rate. Rs./kWh	Rs./kWh	1.07
Recovered	Rs. Mln	18,278
Under/(Over) Recovery	Rs. Mln	2,478
PYA 2024-25		-
Allowed Amount	Rs. Mln	- 2,502
Rate. Rs./kWh	Rs./kWh	- 0.11
Recovered	Rs. Mln	- 2,233
Under/(Over) Recovery	Rs. Mln	- 269
Other Cost related to PYA		
RORB FY 2022-23 True up	Rs. Mln	-
Depreciation FY 2022-23 True up	Rs. Mln	-
Other Income FY 2022-23 True up	Rs. Mln	-
Previous PYA difference	Rs. Mln	2,646
Minimum Tax	Rs. Mln	12,458
PM Assistance Package	Rs. Mln	
MLR Adjustments - RORB FY 2020-21	Rs. Mln	
MLR Adjustments - RORB FY 2021-22	Rs. Mln	
Payroll Fraudulent Financial Reporting	Rs. Mln	
Negative FCA -Previous years 2018-2020 + 2024	Rs. Mln	
UOSC _3rd Qtr. Posting error	Rs. Mln	
NEPRA Supplier License fee	Rs. Mln	
Minimum Tax - FY 2025	Rs. Mln	
Post-retirement benefit	Rs. Mln	
Pay & Allowances	Rs. Mln	
Depreciation True up	Rs. Mln	
Total		14,974
Sales Mix Var.		
FY 2022-23	Rs. Mln	4,896
FY 2023-24	Rs. Mln	
FY 2024-25	Rs. Mln	-
Excess LPS to be adjusted - FY 2024		
LPS Recovered from Consumers	Rs. Mln	7,832
Supplemental charges billed by CPPA	Rs. Mln	8,043
Net	Rs. Mln	[illegible]
Excess LPS to be adjusted - FY 2025		
LPS Recovered from Consumers	Rs. Mln	8,034
Supplemental charges billed by CPPA	Rs. Mln	3,749
Net	Rs. Mln	- 4,285
Total		- 4,285
Adjustment in PYA	Rs. Mln	- 4,285
[illegible]	Rs. Mln	32,692

POWER REGULATORY AUTHORITY
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AUTHORITY

Math-9

ANNEX-VI

Annex-VI (Working of PYA)

[illegible] Description [illegible]	Units	MEPCO
[illegible] MYT True Up [illegible]		MEPCO
[illegible] FY 2023-24 [illegible]		
Provision for Post Retirement Benefit		
Allowed	Rs. Mln	47,112
Benefit Paid	Rs. Mln	29,734
Transferred to Account	Rs. Mln	17,377
Shortfall in deposit to be deducted/added	Rs. Mln	-
Provision for Post Retirement Benefit		
Allowed	Rs. Mln	
Benefit Paid/ Provision		
(Shortfall)/ Excess		
Pay & Allowances		
Allowed	Rs. Mln	
Actual	Rs. Mln	
Under/(Over) Recovery	Rs. Mln	-
Depreciation FY 2023-24		
Allowed	Rs. Mln	6,204
Actual	Rs. Mln	6,622
Under/(Over) Recovery	Rs. Mln	418
Depreciation FY 2024-25		
Allowed	Rs. Mln	6,622
Actual	Rs. Mln	7,488
Under/(Over) Recovery	Rs. Mln	866
RoRB (Investment + KIBOR) FY 2023-24		
Allowed	Rs. Mln	13,808
Actual	Rs. Mln	14,328
Under/(Over) Recovery	Rs. Mln	521
RoRB (Investment + KIBOR) FY 2024-25		
Allowed	Rs. Mln	12,853
Actual	Rs. Mln	13,533
Under/(Over) Recovery	Rs. Mln	680
Other Income FY 2023-24		
Allowed	Rs. Mln	7,108
Actual	Rs. Mln	17,577
Under/(Over) Recovery	Rs. Mln	- 10,470
Other Income FY 2024-25		
Allowed	Rs. Mln	7,108
Actual	Rs. Mln	12,073
Under/(Over) Recovery	Rs. Mln	- 4,966
Total MYT Rate Up [illegible]	Rs. Mln	- 12,956
Total PYA FY 2024-25 [illegible]	Rs. Mln	19,739

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