National Electric Power Regulatory Authority

Islamic Republic of Pakistan

Registrar

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No. NEPRA/TRF-629/QESCO-Supply/2025/ 363-70 January 07, 2026

SUBJECT: **DETERMINATION OF THE AUTHORITY IN THE MATTER OF PETITION FILED BY QUETTA ELECTRIC SUPPLY COMPANY LIMITED (QESCO) 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 61 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, Irrigation & Power Deptt., Govt. of Balochistan, 116/40-A, Jinnah road, Samungli road, Quetta
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, Quetta Electric Supply Company (QESCO), Zarghoon Road, Quetta
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-629/QESCO/MYT- Supply/2025

DETERMINATION OF SUPPLY OF POWER TARIFF PETITION

FOR

QUETTA ELECTRIC SUPPLY COMPANY LIMITED (QESCO)

FOR THE FY 2025-26 – FY 2029-30

UNDER

NEPRA TARIFF (STANDARDS AND PROCEDURE) RULES - 1998

Islamabad
JANUARY 07 , 2026

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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
CY	Calander Year (Jan. to Dec.)
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

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MVA	Mega Volt Amp
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
QESCO	Quetta Electric Supply 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

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

CASE NO. NEPRA/TRF-629/QESCO/MYT- Supply/2025

PETITIONER

Quetta Electric Supply Company Limited (QESCO), Zarghoon Road, Quetta.

INTERVENER
Nil

COMMENTATOR
Nil

REPRESENTATION

QESCO was represented by its Chief Executive Officer along-with his technical and financial teams.

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1. **Background**

1.1. The Authority awarded a Multi-Year Tariff (MYT) to Quetta Electric Supply Company (QESCO), 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, QESCO (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 of 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. QESCO 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. QESCO 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 with to request of QESCO 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 costs for its Supply of power function for the five years control period;

Supply of Power	Unit	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Power Purchase Price	Rs. Mln	78,563	88,815	102,582	118,481	136,846
Energy Charges	Rs. Mln	37,670	43,509	50,253	58,042	67,039
Capacity Charges	Rs. Mln	36,673	40,432	46,699	53,937	62,297
Use of System Charges	Rs. Mln	4,220	4,874	5,630	6,502	7,510
Distribution Business Cost	Rs. Mln	30,390	33,737	37,199	40,373	43,112
Supply Business Cost						
Pay and Allowances	Rs. Mln	2,265	2,491	2,740	3,014	3,316
Post-retirement benefits	Rs. Mln	693	762	839	922	1,015
Repair and Maintenance	Rs. Mln	30	33	36	40	44
Travelling expenses	Rs. Mln	72	80	88	96	106
Vehicle expenses	Rs. Mln	44	49	54	59	65
Other expense	Rs. Mln	418	460	506	556	612
Total O&M Costs	Rs. Mln	3,522	3,875	4,263	4,687	5,158
Depreciation	Rs. Mln	21	24	27	29	32
Return on Rate Base	Rs. Mln	15	17	19	20	21
Gross Margin	Rs. Mln	3,558	3,916	4,309	4,736	5,211
Less: Other Income	Rs. Mln	(126)	(127)	(128)	(128)	(129)
Net Margin	Rs. Mln	3,432	3,789	4,181	4,608	5,082
Prior Year Adjustment	Rs. Mln	16,298				
Total Revenue Requirement	Rs. Mln	128,683	126,341	143,962	163,462	185,040
Projected Sales	GWh	2,624	2,773	2,931	3,098	3,275
Requested Tariff	Rs./kWh	49.04	45.56	49.12	52.76	56.50

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,

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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 05, 2025, for which notice of admission / hearing along-with the title and brief description of the petition was published 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 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 hiring, if any) 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, Deprecations, Tax and RORB based on WACC of 19.1% is justified?

v. Whether the requested PYA is justified?

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

vii. 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)?

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

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?

xii. 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.

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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, submitted that it will pay Power Purchase Price (in Rs/kWh) for the electricity, it procures from CPPA-G, which would include the generation and transmission charges (regulated by NEPRA and distributed by QESCO). This Power Purchase Price, adjusted for QESCO's distribution losses, would then be simply added to QESCO's overall distribution margin to work out the retail tariffs. Thus, the cost of the purchased electricity would be "passed through" to consumers through the retail tariff, without affecting QESCO's distribution margin. At any point in time, any changes in the Power Purchase Price (e.g. due to fuel cost adjustments) would result in a corresponding change in retail tariffs (i.e., the change would be passed through immediately) on monthly basis.

5.2. The Petitioner stated that the requested/projected Power Purchase Price of Rs.91,495 million against the projected purchases of 3,522 MKWh is calculated on the basis of National average Power Purchase price of Rs 25.98/KWh for FY 2025-26. During hearing, the Petitioner submitted that with post solarization scenario, the load has been reduced by 60% to 65%, therefore received units considered to be 3,522 MKWh and after accounted for T&D losses sales units considered to be 2,624 MKWh for FY 2025-26.

5.3. The Petitioner projected its PPP as under;

Description	Units	Projected				
		2025-26	2026-27	2027-28	2028-29	2029-30
Units Purchased	(MkWh)	3,522	3,698	3,883	4,077	4,281
Units Sold	(MkWh)	2,624	2,773	2,931	3,098	3,275
Unit lost: (%age)	(%age)	25.50%	25.00%	24.50%	24.00%	23.50%
PPP (Un-Adjusted)	(MkWh)	22.31	24.02	26.42	29.06	31.97
PPP (Adjusted)	(MkWh)	29.94	32.02	34.99	38.24	41.79

5.4. The Authority noted that PPP is the major component of consumer-end tariff, which accounts for around 90% 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 Tariff Rules tariff should allow licensee, 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 also noted that approval of the investment plan and assessment of T&D losses of the Petitioner for five year's period is at

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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 & 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 hiring, if any) 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>

8.1. The Petitioner's submitted that its Distribution Margin consists of the following factors:

- ✓ Operation & Maintenance Expenses
  - Operational Expenses:
    - Salary Wages & Other Benefits
    - Travelling Expenses
    - Vehicle Expenses
    - Other Expenses
  - Repairs & Maintenance Expenses
  - Other Income
- ✓ Depreciation Expense
- ✓ Return on Rate Base

8.2. The Petitioner also stated that pay and allowances includes salaries of regular and contract employees, wages of daily wages, which includes all benefits such as house rent and acquisitions allowances, medical allowances and facilities, free electricity and pension contribution. Considering the impact of increase in salaries annual increment e.t.c. by the Govt: as per the finance bill, cost of new hiring has also been proposed to fill the critical required vacancies. It further submitted that O&M cost has been projected based on inflation adjustments to QESCO's operating expenses from the latest available FY 2023-24 and 10% increase in Salaries & Allowances in the FY 2025-26 to 2029-30. The Petitioner also provided the following basis for the projections;

- 10% Adhoc relief for FY 2025-26
- 30% Disparity Reduction allowance
- 5% annual increment
- 10% CPI

8.3. The Petitioner provided the following head wise justification for the requested amounts;

<u>Pay and Allowances:</u>

- ✓ The pay and allowances include salaries of regular and contract employees, wages of daily wages, which includes all benefits such as house rent and acquisitions allowances, medical allowances and facilities, free electricity and pension contribution. Considering the impact of increase in salaries annual increment e.t.c. by the Govt: as per the finance bill.

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Repair and Maintenance:

- ✓ The repair and maintenance expenditures pertain to civil, system maintenance, other plant and equipment including computers and office equipment.

Travelling Allowance:

- ✓ The travelling expenses for daily movement from allied formation to all bank branched and collect the scroll from banks and submit to MIS Directorate.

Transportation Charges:

- ✓ The transportation charges include repair and maintenance of vehicles, POL and annual renewal of registration fees.

Other Miscellaneous Expenditures:

- ✓ Other miscellaneous expenditures, stationery and Photostat charges, postage and telecommunications.

8.4. The Petitioner presented its revenue requirement for Supply function during the MYT control period as under;

Mln. Rs.

Description		2025-26	2026-27	2027-28	2028-29	2029-30
Units Purchased	MkWh	3,522	3,698	3,883	4,077	4,281
T&D Losses		25.50%	25.00%	24.50%	24.00%	23.50%
Units Lost	MkWh	898	924	951	978	1,006
Units Sale	MkWh	2,624	2,773	2,931	3,098	3,275
PPP	Rs./kWh	22.31	24.02	26.42	29.06	31.97
Adj-PPP	Rs/kWh	29.94	32.02	34.99	38.24	41.79
PPP		**78,563**	**88,815**	**102,582**	**118,482**	**136,846**
O&M		3,523	3,875	4,262	4,689	5,157
Depreciation		21	24	27	29	32
RORB		15	17	19	20	21
Other Income		-126	-127	-128	-128	-129
Distribution Cost		**30,390**	**33,737**	**37,199**	**40,373**	**43,111**
Prior Year Adjustment		**16,298**	-	-	-	-
Revenue Requirement		**128,686**	**126,341**	**143,961**	**163,464**	**185,038**
Sale Rate	**Rs/kWh**	**49.05**	**45.55**	**49.11**	**52.76**	**56.5**

8.5. On the issue of controllable and uncontrollable factors, the Petitioner's submitted that Salaries and post-retirement benefits are based on Govt policies and increase announced in fiscal budget. O&M expenses other than salaries and post-retirement benefits are controllable and linked with efficiency factor.

8.6. **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;*

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✓ *(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;"*

8.7. 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.

8.8. 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.

8.9. 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.

8.10. 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 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.

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

9. <u>Salaries, Wages and Other benefits (excluding post-retirement benefits)</u>

9.1. 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 therefrom 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

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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.

9.2. 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.

9.3. The actual total cost as provided by the Petitioner for the FY 2024-25, under Salaries & Wages (excluding postretirement benefits, discussed separately) is Rs.7,304 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.

9.4. Accordingly, the cost of Salaries & Wages (excluding postretirement benefits, discussed separately), for both the Distribution and Supply Functions works out as Rs.8,346 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.

9.5. 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. Thus, 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.1,900 million.

9.6. The assessed Salaries & Wages costs for the FY 2025-26 i.e. Rs. 1,900 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 given in the instant determination.

9.7. 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.

10. <u>New Hiring / Additional Recruitment</u>

10.1. 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. For future recruitment, the Authority understands that any allowing cost upfront

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either on account of new hiring or outsourcing, 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 services actually outsourced 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.

11. Post-Retirement Benefits

11.1. The Authority noted that head of post-retirement benefit includes employees' pension, free electricity and medical facility. The Authority 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.

11.2. It is also pertinent to mention here that the Authority in its previous determinations, 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.

11.3. Here it is pertinent to mention that the Authority in the previous MYT of QESCO, keeping in view it's operational performance, in terms of T&D losses and recovery, considered that allowing provision for post-retirement benefits instead of actual payments, would not be in the interest of the consumers as any additional amount over & above the actual payments, would be eaten-up by the inefficiencies of the Petitioner and the Petitioner would not be able to deposit the excess amount in the Fund. Hence, the Petitioner was allowed actual payments only, however, if the Petitioner still manages to deposit any additional amount in the Fund, the Authority may consider to allow the same as PYA in the subsequent adjustment request.

11.4. The operational performance of QESCO over the last three years has remained well below the targets allowed by the Authority in terms of losses and recovery. In view of the aforementioned and keeping in view the request of the Petitioner, the Authority has decided to allow post-retirement benefits for the FY 2025-26, keeping in view the actual payments as per the Audited/ provisional accounts of the Petitioner for the FY 2024-25, and the request of the Petitioner for the FY 2025-26. Accordingly, the cost of post-retirement benefits being allowed to the Petitioners for the FY 2025-26, works out as Rs.3,217 million, for both its distribution and Supply functions.

11.5. 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

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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.733 million.

11.6. Considering the fact that the Petitioner is obligated to pay to its pensioners, the pension increases announced by the Federal Government, therefore, being an un-controllable cost, the Authority has decided to actualize the post-retirement benefits cost of the Petitioner for the relevant year, based on its audited accounts. The impact of any such adjustment would be allowed as part of PYA in the next indexation/ adjustment request.

12. <u>Repair & Maintenance Costs</u>

12.1. Regarding Repair and maintenance expenses, the Petitioner mentioned that it pertains to civil, system maintenance, other plant and equipment including computers and office equipment.

12.2. The Authority has carefully examined the Petitioner's request. No doubt 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 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. The Authority also 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 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.

12.3. In view of the foregoing and keeping in view the current approved tariff methodology, the Authority has decided to allow an amount of Rs.1,496 million under R&M head, for the FY 2025-26, after incorporating the inflationary impact on the R&M cost as per the accounts of the Petitioner for the FY 2024-25 for both the Distribution and Supply functions.

12.4. 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 for the FY 2025-26 pertaining to the Supply function works out as Rs.30 million.

12.5. The assessed repair and maintenance cost for the FY 2025-26 i.e. Rs.30 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.

12.6. 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 revise its R&M assessment based on such disclosure/certification.

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13. Other O&M Expenses

13.1. Other O&M expenses include Travelling costs, Vehicle Maintenance and other expenses i.e. Rent, Rates & Taxes, Power, Light and Water, Communication, Bill Collection Charges, Office supplies, Director Fees, Auditor Remuneration, Professional Fees, Outside Service Employed, Management Fees, NEPRA License Fees, Advertisement & Publicity, Subscriptions & Periodicals, Representation & Entertainment, Insurance, Bank Charges, and other miscellaneous expense.

13.2. The Petitioner projected its Other O&M costs including Travelling, Vehicle Maintenance and other expenses as under during the MYT control period for both its distribution and supply functions, after incorporating 10% increase on the provisional expenditure for the FY 2024-25;

Mln. Rs.

	Determined FY 2024-25			Requested FY 2025-26		
	DOP	SOP	Total	DOP	SOP	Total
Other O & M Costs	2,639	334	2,973	3,546	565	4,111

13.3. 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. Accordingly, for assessment of Other O&M costs for the FY 2025-26, the Authority, keeping in view the cost as per the accounts of the Petitioner for the FY 2024-25, has decided to allow an amount of Rs.1,725 million to QESCO for the FY 2025-26. The said amount of Rs.1,725 million is being allowed for both the Distribution and Supply of Power function for the FY 2025-26.

13.4. By considering the figures as per financial statement, the Authority has incorporated all the costs including bill collection, building rent, NEPRA fee, insurance cost, rent, rates & taxes, and travelling, transportation etc.

13.5. The aforementioned assessment for the FY 2025-26 shall be considered as reference for working out future Other Operating Expenses for remaining tariff control period to be adjusted based on change in "NCPI-General", in line with the mechanism provided 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.

13.6. 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.347 million.

13.7. 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.

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13.8. 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

13.9. 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.

13.10. 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.

13.11. 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.

13.12. 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.

13.13. 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.

13.14. 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

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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.

14. Whether the requested/projected amount under heads of Other Income, Deprecations and RORB based on WACC of 19.1% is justified?

15. Depreciation

15.1. The Petitioner has submitted that Depreciation is provided in accordance with the accounting policy of the Company. The Petitioner requested a total amount of Rs.2,523 million for depreciation with Rs.2,505 million pertaining to the Supply function.

15.2. The Authority noted that as per the Methodology, depreciation expense for the test year, which in the instant case is FY 2025-26, will be determined by applying depreciation charge on the Gross Fixed Assets in Operation, including new investment and will be considered reference for the tariff control period.

15.3. 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	QESCO
FY 2025-26	1,140
FY 2026-27	2,803

15.4. 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.

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

Provisional T&D Loss	QESCO
FY 2025-26	13.81%
FY 2026-27	13.81%

15.6. 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.

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RevisedT&D Loss Target (Failure to submit study)	QESCO
FY 2025-26	8.60%
FY 2026-27	8.60%

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

15.8. Not used

15.9. Not used

15.10. 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.2,212 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.

15.11. 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.1,195 million for the FY 2025-26. Accordingly, the consumers would bear net depreciation of Rs.1,017 million.

15.12. 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 for the FY 2025-26 pertaining to the Supply function works out as Rs.16 million.

<u>RoRB</u>

15.13. The Petitioner has submitted that return on investment on the (cost of capital) will be calculated as follows:

ROR = Rate Base × Rate of Return

Where:

Rate Base is defined for the FY 2025-26 to FY 2029-30 as the sum of (i) Gross Fixed Assets in Operation beginning of the year (ii) The capital expenditures for the year (New Investments), in accordance with the proposed investment program (iii) Less Cumulative Depreciation (iv) Plus Closing Capital Work in Progress (v) Less: Differed Credit. Annual

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Rate of Return is a pre-tax return on the Rate Base.

Because the investment is typically financed with a combination of debt equity, the appropriate rate of return would be a market-based weighed average of the cost of capital. Average ROR is kept at 19.10% as cost of capital as allowed by NEPRA for indexation of FY 2024-25.

$Ke = RF + (RM - RF) \times \beta$

cost of debts ; kd = Interest on loans

$WACC = [Ke \times (E/V)] + [kd \times (D/V)]$

Where E/V and D/V are equity and debt ratio respectively taken as 20% & 80%.

15.14. The Petitioner during the hearing revised its calculations on the basis of WACC of 13.40% by considering reduction in KIBOR.

15.15. The Authority observed that as per Section 31(3) of the amended 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;

(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;

15.16. 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.

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

Cost of Equity;

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

Where;

R_F is the risk free Rate

R_M is the Market Return

β is Beta

The cost of debt;

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Kd = KIBOR + Spread

15.18. 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%;

15.19. 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.

15.20. 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.

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

15.22. 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.

15.23. Regarding the 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)*.

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

Cost of Equity;

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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%

15.25. 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;

	QESCO	
Description	FY 2024-25	FY 2025-26
Fixed Assets O/B	82,352	90,572
Addition	8,220	7,831
Fixed Assets C/B	90,572	98,403
Depreciation	23,841	26,053
Net Fixed Assets	66,731	72,349
Capital WIP C/B	20,665	18,864
Fixed Assets Inc. WIP	87,396	91,214
	-	-
Less: Deferred Credits	35,923	32,763
Total	51,473	58,451
RAB		54,962
WACC		13.19%
RORB		7,249

15.26. 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 pertaining to the Supply function works out as Rs.7 million.

15.27. 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.

15.28. 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.

15.29. 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

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such income separately, the entire interest income shall be adjusted as part of other income.

15.30. 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. 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>

15.31. The Petitioner has submitted that main sources of other income include Interest Income, Sale of Scrape, Amortization of Deferred Credit, Rental & Service Income etc., whereas the Wheeling Charges and Late Payment Surcharge have been excluded as per decision of NEPRA. Accordingly, the Petitioner has projected an amount of Rs.1,950 million for the FY 2025-26, for both its Distribution and Supply functions, with Rs.126 million for the Supply function;

15.32. 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.

15.33. 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.1,950 million as requested by the Petitioner, 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.

15.34. 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.

15.35. 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.126 million.

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

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16. <u>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)?</u>

17. <u>Adjustment Mechanism</u>

17.1. Regarding adjustment mechanism of different components, the Petitioner during the hearing submitted that adjustment mechanism for future indexation of different components of revenue requirement except POL and salary should be linked with national CPI and efficiency factor.

17.2. The Authority, while assessing the O&M costs of the Petitioner for the FY 2025-26, has taken into account the 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.

17.3. 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).

17.4. <u>Indexation of O&M cost components</u>

17.5. <u>Salaries & Wages and Post-retirement Benefits;</u> 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)]**
The 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 shall be actualized based on Audited accounts for the relevant year , considering the same as uncontrollable cost on part of XWDISCOs.

17.6. Considering the fact that the Petitioner is obligated to pay to its pensioners, the pension increases announced by the Federal Government, therefore, being an un-controllable cost, the Post-retirement Benefits would be actualized based on the audited accounts of the Petitioner for the relevant year. The impact of any such adjustment would be allowed as

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part of PYA in the next indexation/ adjustment request or tariff determination as the case may be.

Adjustment Mechanism - Actual Post-retirement Benefits payment	
Revised Post-Retirement Benefits	= Ref. Pots-retirement Benefits x [1+(GoP Increase or CPI)]
The allowed Post-Retirement Benefit 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 shall be actualized based on Audited accounts for the relevant year , considering the same as uncontrollable cost on part of XWDISCOs.	

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

17.8. 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)])

17.9. 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, 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

18. RORB

18.1. 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.	

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18.2. In addition, the Petitioner 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.

18.3. 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.

18.4. 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.

19. <u>Depreciation Expenses</u>

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

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

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

19.2. 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.

20. <u>Other Income</u>

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20.1. 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	

21. Working Capital

21.1. 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	QESCO
Current Assets			
Trade debt (days of Revenue Receivable)	25	0.07	11,797
Total Current Assets			11,797
Current Liabilities			
EPP From CPPA	41	0.11	4,412
CPP From CPPA	34	0.09	8,825
Transmission	30	0.08	951
Distribution	30	0.08	1,555
Total Liabilities			15,743
Net			(3,946)
Cost of debt local			12%
Working Capital Cost			(473)

21.2. As reflected in the table above, The Petitioner's working capital requirement for the Supply function has been assessed as negative Rs.3,946 million and cost working capital requirement works out as negative Rs.473 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

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-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

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.

- 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.

22. <u>Whether the requested PYA is justified?</u>

22.1. The Petitioner has requested following PYA;

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Description	Rs in Million
Supplier's NEPRA Fee 2024-25	23
Supplier's NEPRA Fee 2023-24	21
Post retirement benefits	605
Minimum Tax	2,616
PM Assistance Package	164
Under recovery of distribution margin	3,541
Under Recovery of PYA	924
Quarterly Adjustments	8356
True down of depreciation	-156
True down of other income	204
Total	**16,298**

22.2. The Petitioner in response to his claim has provided following head wise workings for consideration of the Authority;

Description	Allowed FY 2023-24	Actual FY 2023-24	Difference (PYA)
	(Rs in Million)	(Rs in Million)	(Rs in Million)
Post retirement benefits	1,873	2,478	605

Minimum Tax			
CPR No	Amount	Description	Tax Year
IT20230731010124915555	75,000,000	Minimum Tax	2024
IT20230831010124534108	75,000,000	Minimum Tax	2024
IT20230927010122293300	75,000,000	Minimum Tax	2024
IT20231031010123798878	75,000,000	Minimum Tax	2024
IT20231129010121605578	50,000,000	Minimum Tax	2024
IT20231127010120977612	100,000,000	Minimum Tax	2024
IT20231228010116784405	100,000,000	Minimum Tax	2024
IT20240229010117162296	200,000,000	Minimum Tax	2024
IT20240329010119874458	150,000,000	Minimum Tax	2024
IT20240429010116411853	100,000,000	Minimum Tax	2024
IT20240530010118659779	100,000,000	Minimum Tax	2024
IT20240625010117196616	300,000,000	Minimum Tax	2024
Copy of Annual Return Provided	28,605,833	Profit on debt (Minimum Tax)	2024
Copy of Annual Return Provided	664,487	Section 153 1 (a)	2024
IT20250324010115807746	300,000,000	Minimum Tax (Demanded)	2024
IT20240830010118130007	200000000	Minimim Tax (Demanded)	2023
IT20240830010118062218	200000000	Minimum Tax (Demanded)	2023
IT20240930010120644927	36717613	Minimum Tax (Demanded)	2023
IT20241129010117577632	250,000,000	Minimum Tax (Demanded)	2022
IT20241231010118610098	200,000,000	Minimum Tax (Demanded)	2022
Total	2,616,187,933		

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P.M Assistance Package							
Employee Name	CNIC No	Designation	Claimant Name	Relation	Lump Sum Amount	Cash in lieu of plot	Payment date
Late Munawar Ahmed	36102-1880925-1	Security Sargent	Musrat Bibi	Wife	900,000	2,000,000	07/02/2024
Mohammad Ramzan	11201-4285798-9	Security Guared	Fatima Bibi	Wife	900,000	2,000,000	30/04/2024
Late: Murad Hasil	52203-5070809-5	V/D	Mst: Hameeda	Wife	-	5,000,000	9/30/2024
Nazir Ahmed	54400-0544282-9	Ex-SSO-I	Shaheen Bibi	Wife	1,500,000	7,000,000	13-Feb-24
Raheel Parvaiz	54400-5125150-5	Es-S/W	Raheela	Wife	600,000	2,000,000	12-Mar-24
Abdul Ghani	54400-0344727-3	Ex-N/Q	Bibi Razia	Wife	600,000	2,000,000	28-Mar-24
Manzoor Ahmed	54400-7952467-5	LFM-I	Aslam Khatoon	Wife	1,200,000	5,000,000	29-Aug-24
Syed Naseer Shah	-	-	Fatima Mai	Wife	2,900,000	-	15-Oct-24
Munir Ahmed	-	-	Bibi Jamila	Wife	1,200,000	5,000,000	15-Oct-24
Hasan Raza	54400-0532184-5	Supervisor	Shahida Hasan	Wife	1,500,000	5,000,000	17-Dec-24
Amjad Ali	51602-8044221-7	EX-SSO-I	Zeenat Yousafee	Wife	1,500,000	5,000,000	30-Dec-24
Muhammad Shafique	56401-9160035-5	LM-I	Halima Bibi	Wife	1,200,000	5,000,000	29/03/2024
Muhammad Khan	55202-7495107-5	LM-I	Hurmat Khatoon	Wife	1,200,000	5,000,000	22/05/2024
Syed Sher Shah	55303-0572467-0	LM-II	Mst: Rabia Bibi	Wife	900,000	5,000,000	30.07.2024
Talib Ali Jamali	53403-8432744-4	ALM	Mst: Azizan	Wife	900,000	-	30.07.2024
Naik Muhammad	53402-9308257-0	ALM	Mst: Zarina	Wife	900,000	2,000,000	16.10.2024
Imam Bux	53203-0845830-8	LM-I	Mst: Pathani Khatoon	Wife	1,200,000	5,000,000	16.10.2024
Late Noor Ahmed	51602-6651009-9	EX-LM-II	Mst Bibi Fatima	Wife	1,200,000	5,000,000	15/03/2024
Late Abdul Aziz	51602-1142790-7	EX-SSO-I	Mst Zarina Mir	Wife	1,200,000	5,000,000	22/03/2024
Late Lal Muhammad	54400-0439416-9	EX-LM-I	Mst Bibi Fatima	Wife	-	5,000,000	13/05/2024
Late Arshad Iqbal	54400-3647453-9	EX-Supdt	Mst Azhra Parveen	Wife	1,500,000	5,000,000	30/08/2024
Late Ali Haider	54400-0401042-3	EX-ALM	Mst Abida	Wife	-	5,000,000	31/10/2024
Muhammad Hashim	51602-1094956-4	LS-II	Mst Mehar Nigar	Wife	1,200,000	5,000,000	05.09.2024
Late kamran khan	54400-5670557-1	LM-II	Mst Nagina Jaffar	Wife	900,000	5,000,000	19.09.2024
Late Naseer Ahmed	53303-0783160-5	LM-II	Mst Perveen Kausar	Wife	1,200,000	5,000,000	27.05.2024
Late khamisa khan	55302-9064423-1	M/R	MSt Laila Bibi	Wife	-	2,000,000	27.05.2024
Late kazim Ali shah	55305-2288005-1	LM-I	MSt Syeda Fozia bibi	Wife	1,200,000	5,000,000	07.10.2024
Late Abdul Sattar	38302-4162021-1	Ex-S/guard	Mst Perveen Bibi	Wife	900,000	2,000,000	25/03/2024
Late Boor Muhammad	54303-2030522-3	EX LM-I	Mst Bibi Gul sima	Wife	1,200,000	5,000,000	31/10/2024
Late Najeebullah	54303-2046095-1	EX LM-I	Mst Bibi rishida	Wife	1,200,000	5,000,000	31/10/2024
Late Jan Muhammad	54302-0788931-9	EX LM-I	Mst Bibi Fatima	Wife	1,200,000	5,000,000	31/10/2024
Rasool Buksh	54400-9230632-3	LM-I	Mst Rasheeda Bibi	Wife	1,200,000	5,000,000	29.11.2024
TOTAL .					33,200,000	131,000,000	

Under Recovery of DM			
DM Allowed for FY 2023-24	Rs in Million		28,962
Units Purchased FY 2023-24	MkWh	5,844	
Units to be sold at (14.04% Losses)	MkWh	5,024	
Rate	Rs/kWh	5.06	
DM Recovered (5,024 * 5.06)	Rs in Million		25,421
Under Recovery of DM	Rs in Million		3,541

Under Recovery of PYA			
PY Allowed for FY 2023-24	Rs in Million		7,553
Units Purchased FY 2023-24	MkWh	5,844	
Units to be sold at (14.04% Losses)	MkWh	5,024	
Rate	Rs/kWh	1.32	
DM Recovered (5,024 * 1.32)	Rs in Million		6,629
Under Recovery of DM	Rs in Million		924

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Quarterly Adjustement true ups	
Description	Rs in Million
(Over)/Under Recovery	
4th QTA 2022-23	837
1st QTA 2023-24	2,967
2nd QTA 2023-24	2,307
3rd QTA 2023-24	908
4th QTA 2023-24	865
1st QTA 2024-25	472
Total (Over)/under recovery	8,356

Description	Allowed FY 2023-24	Actual FY 2023-24	Difference
	(Rs in Million)	(Rs in Million)	(Rs in Million)
Depreciation	2,632	2,476	-156

Description	Allowed FY 2023-24	Actual FY 2023-24	Difference
	(Rs in Million)	(Rs in Million)	(Rs in Million)
Other Income	1,911	1,707	204

22.3. 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 QESCO
QTR	3,669
D.M	9,759
PYA	4,170
Sales Mix	(391)
True Ups	-
2023-24	(4,668)
2024-25	(7,716)
Other Head	3,640
Total	8,463

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

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

23.1. The Petitioner during the hearing submitted that the Recovery Target is set at 100% and no provision for bad debts is requested.

23.2. The Authority notes 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 ultimately able to meet the said criteria and write-off any amount. Consequently, the provisionally allowed amounts of write-offs were adjusted back.

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23.3. The Authority further notes that although recovery loss was initially to K-Electric, the matter was revisited pursuant to Motion 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.

23.4. 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 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.

23.5. 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

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up-front recovery loss, can be construed as a policy decision, meaning thereby that similar treatment will be offered to other DISCOs.

23.6. 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, QESCO's tariff is being determined on the basis of 100% recovery target as also proposed by QESCO itself. QESCO, 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
QESCO	3.00%	2.50%	2.00%	1.50%	1.00%

<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.

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.

24. <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>

24.1. The petitioner during the hearing submitted that Net-metering consumers rely on the grid both for backup supply during low or no solar generation and for exporting surplus energy.

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In absence of fixed charges on exports, these consumers avoid contributing to grid maintenance costs, creating cross-subsidization where non-solar users bear higher fixed costs. Increasing penetration of net-metering reduces DISCO revenue, leading to inequity. Technical challenges such as voltage fluctuations and protection issues also require additional investment. Levying fixed charges on these consumers can contribute to fair and equitable cost recovery across the system.

24.2. The Petitioner accordingly recommended as under;

- ✓ Introduce fixed network usage charges based on sanctioned load or export capacity.
- ✓ Transition to a gross metering framework to avoid cross-subsidies.
- ✓ Restrict oversized DG installations exceeding sanctioned load.

24.3. 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*

24.4. 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.

24.5. Here it is also pertinent to highlight that the Authority elicited public opinion on the NEPRA (Prosumer) Regulations, pursuant to Section 47 of the NEPRA Act; , whereby, change in both the methodology and rate for the units being exported by a Distributed Generator (DG), are being proposed.

24.6. 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 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.

25. <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>

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

26.1. The Petitioner during the hearing submitted that NE plan provides us direction to progressively include the fixed charges in all categories (except Protected). Fixed charges were significantly increased from Rs.500 to Rs.1,250 in July 2024, burdening consumers and leading to a rise in temporary disconnections. Charging based on sanctioned load rather than actual Maximum Demand Indicator (MDI) has caused disputes, especially

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among industrial and commercial consumers who do not fully utilize their sanctioned capacity, resulting in poor recovery performance.

26.2. The Petitioner accordingly recommended as under;

- ✓ Base fixed charges on actual MDI instead of sanctioned load.
- ✓ Deploy AMR/AMI metering to automate MDI-based billing.
- ✓ Apply nominal fixed charges for domestic consumers to ensure affordability.
- ✓ Impose per kW fixed charges for net-metering consumers to ensure fair grid cost sharing.

26.3. 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.

26.4. 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.

26.5. 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.

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

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

27.1. The Petitioner submitted that NE Plan emphasizes cost-of-service based tariffs for transparent cost recovery and equitable design. Tariff design based on the Cost of Service (CoS) ensures transparency, financial sustainability, and equitable cost allocation among consumers. The current uniform tariff structure creates cross-subsidization where some categories subsidize others, distorting cost signals and discouraging efficiency. A CoS-based design aligns tariffs with actual cost causation while promoting efficient consumption.

27.2. The Petitioner accordingly recommended as under;

- ✓ Gradually transition to CoS-based tariff design.
- ✓ Segment consumers by voltage and usage pattern to reflect actual service costs.

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- ✓ Replace broad cross-subsidies with targeted subsidies funded by the federal government.
- ✓ Conduct updated CoS studies for all DISCOs to establish credible cost benchmarks.

27.3. 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.

27.4. 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).

27.5. 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.

27.6. 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).

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

28.1. 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.

28.2. 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.

29. <u>Upfront Indexation/adjustment for the period July 2026 to December 2026</u>

29.1. 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 NEPRA (Tariff Standards and Procedure) Rules, 1998. The uniform rebased tariff, once determined, is notified by the

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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.

29.2. 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.

29.3. 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.

29.4. 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."

29.5. QESCO also vide letter dated 21.10.2025 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 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.

29.6. QESCO 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. QESCO 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

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revised annual rebasing timeline effective January 1, 2026, to ensure smooth and timely transition to the revised rebasing schedule.

29.7. 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	QESCO
Salaries, Wages & Other Benefits	4,974
Post Retirement Benefits	1,522
Other O & M Costs	2,055
Depreciation	1,261
Return on Rate Base	5,146
Turn Over Tax	
Gross Distribution Margin	**14,959**
Less: Other Income	(975)
Net Distribution Margin	**13,984**
PYA	5,978
Total	**19,962**

29.8. 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.

29.9. 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 QESCO for the period from July 1, 2026 to December 31, 2026 as under:

Description	Unit	July to December 2026 FY 2026-27
Pay & Allowances		4,397
Post Retirement Benefits		1,769
Repair & Maintainance		794
Traveling allowance		186
Vehicle maintenance		278
Other expenses		451
O&M Cost	[Mln. Rs.]	7,875
Depriciation		1,186
RORB		4,236
O.Income		(975)
Margin without PYA	[Mln. Rs.]	12,323

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29.10. 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.

29.11. 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.

29.12. 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.

30. <u>Order</u>

30.1. 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, and CY 2026 (January 26 to December 26) including upfront Indexation/adjustment for the period July 2026 to December 2026, to the extent of Supply function is summarized as under;

Description	Unit	Revised Allowed FY 2025-26 SOP	Allowed CY 2026 SOP
Units Purchased	[MkWh]		4,750
Units Sold	[MkWh]		4,094
Units Lost	[MkWh]		656
Units Lost	[%]		13.81%
Energy Charge			38,857
Capacity Charge			95,008
Transmission Charges/Market Fee			11,569
Power Purchase Price			145,434
Wire Business			15,923
Power Purchase Price with Wire Business	[Mln. Rs.]		161,357
Pay & Allowances		1,900	1,804
Post Retirement Benefits		733	892
Repair & Maintainance		30	32
Traveling allowance		55	48
Vehicle maintenance		29	31
Other expenses		263	296
O&M Cost	[Mln. Rs.]	3,010	3,103
Depriciation		16	14
RORB		7	6
O.Income		(126)	(128)
Margin without PYA	[Mln. Rs.]	2,907	2,996
Prior Year Adjustment	[Mln. Rs.]		5,561
Working Capital	[Mln. Rs.]		(473)
Revenue Requirement	[Mln. Rs.]	2,907	169,441
Average Tariff	[Rs./kWh]		41.38

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30.2. 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.

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

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	

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

30.5. 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.

30.6. The Petitioner is responsible to provide 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.

30.7. 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;

30.8. 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.

30.9. 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.

30.10. 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.

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31. **Summary of Direction**

31.1. 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.

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

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

32. 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.

33. 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 $PPP_{(Adj)}$ = $\underline{PPP_{(Actual)}\text{ (excluding Fuel cost)} - PPP_{(Recovered)}\text{ (excluding Fuel cost)}}$

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 $\text{allowed}_{(Rs./kWh)}$ 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.

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Annex-II

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

	Description	Sales		Base Revenue			Base Tariff			PYA 2025		Total Tariff		
		GWh	% Mix	Fixed Charge	Variable Charge	Total	Fixed Charge	Fixed Charge	Variable Charge	Amount	Variable Charge	Fixed Charge	Fixed Charge	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./ kWh
	Residential													
	For peak load requirement less than 5 kW													
Protected	Up to 50 Units - Life Line	12	0.30%	-	549	549	-	-	45.09	17	1.36	-	-	46.4
	51-100 units - Life Line	33	0.80%	-	1,496	1,496	-	-	45.70	44	1.36	-	-	47.0
	01-100 Units	285	6.97%	-	14,103	14,103	-	-	49.40	388	1.36	-	-	50.7
	101-200 Units	47	1.14%	-	2,299	2,299	-	-	49.27	63	1.36	-	-	50.6
Un-Protected	01-100 Units	30	0.73%	-	1,581	1,581	-	-	53.26	40	1.36	-	-	54.6
	101-200 Units	79	1.92%	-	4,293	4,293	-	-	54.69	107	1.36	-	-	56.0
	201-300 Units	120	2.93%	-	6,568	6,568	-	-	54.81	163	1.36	-	-	56.1
	301-400 Units	66	1.61%	28	3,580	3,608	200	-	54.33	89	1.36	200	-	55.6
	401-500 Units	29	0.70%	20	1,554	1,574	400	-	53.91	39	1.36	400	-	55.2
	501-600 Units	15	0.37%	12	809	821	600	-	53.77	20	1.36	600	-	55.1
	601-700Units	9	0.22%	8	474	483	800	-	53.62	12	1.36	800	-	54.9
	Above 700 Units	28	0.67%	21	1,477	1,498	1,000	-	53.48	38	1.36	1,000	-	54.8
	For peak load requirement exceeding 5 kW)													
	Time of Use (TOU) - Peak	3	0.07%	27	159	185	1,000	-	54.18	4	1.36	1,000	-	55.5
	Time of Use (TOU) - Off-Peak	11	0.28%	-	587	587	1,000	-	51.66	15	1.36	1,000	-	53.0
	Temporary Supply	0	0.00%	-	-	-	2,000	-	60.33	-	1.36	2,000	-	61.6
	Total Residential	766	18.70%	116	39,528	39,645				1,040				
	Commercial - A2													
	For peak load requirement less than 5 kW	102	2.48%	1,374	4,423	5,797	1,000	-	43.52	138	1.36	1,000	-	44.8
	For peak load requirement exceeding 5 kW						-	-						
	Regular	0	0.00%	0	0	0	-	1,250	41.41	0	1.36	-	1,250	42.7
	Time of Use (TOU) - Peak	23	0.57%	-	1,224	1,224	-	-	52.50	32	1.36	-	-	53.8
	Time of Use (TOU) - Off-Peak	83	2.02%	678	3,687	4,365	-	1,250	44.60	112	1.36	-	1,250	45.9
	Temporary Supply	3	0.08%	1	187	188	5,000	-	58.76	4	1.36	5,000	-	60.1
	Electric Vehicle Charging Station	0	0.00%	-	-	-	-	-	52.12	-	1.36	-	-	53.4
	Total Commercial	211	5.15%	2,052	9,522	11,574				286				
	General Services-A3	220	5.38%	116	10,953	11,069	1,000	-	49.70	299	1.36	1,000	-	51.0
	Industrial													
	B1	0	0.00%	1	10	11	1,000	-	55.87	0	1.36	1,000	-	57.2
	B1 Peak	1	0.04%	-	88	88	1,000	-	58.73	2	1.36	1,000	-	60.0
	B1 Off Peak	8	0.19%	15.55	422	437	1,000	-	53.30	11	1.36	1,000	-	54.6
	B2	0	0.00%	-	-	-	-	1,250	54.12	-	1.36	-	1,250	55.4
	B2 - TOU (Peak)	17	0.40%	-	963	963	-	-	58.31	22	1.36	-	-	59.6
	B2 - TOU (Off-peak)	94	2.29%	622	4,635	5,257	-	1,250	49.46	127	1.36	-	1,250	50.8
	B3 - TOU (Peak)	8	0.20%	-	472	472	-	-	58.79	11	1.36	-	-	60.1
	B3 - TOU (Off-peak)	104	2.54%	426	4,595	5,021	-	1,250	44.19	141	1.36	-	1,250	45.5
	B4 - TOU (Peak)	0	0.00%	-	-	-	-	-	57.87	-	1.36	-	-	59.2
	B4 - TOU (Off-peak)	0	0.00%	-	-	-	-	1,250	48.00	-	1.36	-	1,250	49.3
	Temporary Supply	0	0.00%	-	-	-	5,000	-	62.63	-	1.36	5,000	-	63.8
	Total Industrial	232	5.66%	1,065	11,186	12,251				315				
	Single Point Supply													
	C1(a) Supply at 400 Volts-less than 5 kW	0	0.00%	0	0	0	2,000	-	51.55	0	1.36	2,000	-	52.9
	C1(b) Supply at 400 Volts-exceeding 5 kW	1	0.03%	5	49	54	-	1,250	38.04	2	1.36	-	1,250	39.4
	Time of Use (TOU) - Peak	5	0.12%	-	247	247	-	-	49.38	7	1.36	-	-	50.7
	Time of Use (TOU) - Off-Peak	21	0.51%	52	907	959	-	1,250	43.03	29	1.36	-	1,250	44.3
	C2 Supply at 11 kV	2	0.05%	6	75	81	-	1,250	38.75	3	1.36	-	1,250	40.1
	Time of Use (TOU) - Peak	35	0.85%	-	1,806	1,806	-	-	52.03	47	1.36	-	-	53.3
	Time of Use (TOU) - Off-Peak	138	3.37%	680	4,956	5,635	-	1,250	35.96	187	1.36	-	1,250	37.3
	C3 Supply above 11 kV	0	0.00%	-	-	-	-	1,250	45.52	-	1.36	-	1,250	46.8
	Time of Use (TOU) - Peak	0	0.01%	-	27	27	-	-	55.26	1	1.36	-	-	56.6
	Time of Use (TOU) - Off-Peak	3	0.06%	11	114	125	-	1,250	43.58	4	1.36	-	1,250	44.9
	Total Single Point Supply	205	5.00%	754	8,181	8,935				278				
	Agricultural Tube-wells - Tariff D													
	Scarp	0	0.00%	-	0	0	-	-	43.51	0	1.36	-	-	44.8
	Time of Use (TOU) - Peak	0	0.00%	-	0	0	-	-	40.40	0	1.36	-	-	41.7
	Time of Use (TOU) - Off-Peak	0	0.00%	0	0	0	-	400	38.22	0	1.36	-	400	39.5
	Agricultual Tube-wells	2456	59.97%	3,531	76,613	80,143	-	400	31.20	3,335	1.36	-	400	32.5
	Time of Use (TOU) - Peak	0	0.00%	-	4	4	-	-	54.81	0	1.36	-	-	56.1
	Time of Use (TOU) - Off-Peak	0	0.00%	0	9	9	-	400	50.38	0	1.36	-	400	51.7
	Total Agricultural	2,456	59.98%	3,531	76,625	80,156				3,335				
	Public Lighting - Tariff G	5	0.12%	4	243	247	2,000	-	48.33	7	1.36	2,000	-	49.6
	Residential Colonies	0	0.00%	0	2	2	2,000	-	43.67	0	1.36	2,000	-	45.0
		5	0.12%	4	245	250				7				
	Pre-paid Supply Tariff													
	Residential	-	-	-	-	-	1,000	-	59.58	-	1.36	1,000	-	60.9
	Commercial - A2	-	-	-	-	-	-	1,250	52.14	-	1.36	-	1,250	53.5
	General Services - A3	-	-	-	-	-	1,000	-	57.36	-	1.36	1,000	-	58.7
	Industrial	-	-	-	-	-	-	1,250	55.68	-	1.36	-	1,250	57.0
	Single Point Supply	-	-	-	-	-	-	1,250	46.11	-	1.36	-	1,250	47.4
	Agriculture Tube-wells - Tariff D	-	-	-	-	-	-	400	36.09	-	1.36	-	400	37.4
	Grand Total	4,094	100%	7,639	156,241	163,879				5,561				

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

Medu-9

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SCHEDULE OF ELECTRICITY TARIFFS FOR QUETTA ELECTRIC SUPPLY COMPANY (QESCO)

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		FYA 2025 Rs/kWh		Total Variable Charges Rs/kWh	
			A	B	C		D		E=C+D	
	a)	For Sanctioned load less than 5 kW								
Protected	i	Up to 50 Units - Life Line	-		45.09		1.36		46.45	
Protected	ii	51 - 100 Units - Life Line	-		45.70		1.36		47.06	
Protected	iii	001 - 100 Units	-		49.40		1.36		50.76	
Protected	iv	101 - 200 Units	-		49.27		1.36		50.63	
Un-Protected	v	001 - 100 Units	-		53.26		1.36		54.62	
Un-Protected	vi	101 - 200 Units	-		54.69		1.36		56.04	
Un-Protected	iv	201 - 300 Units	-		54.81		1.36		56.17	
Un-Protected	viii	301 - 400 Units	200		54.33		1.36		55.69	
Un-Protected	ix	401 - 500 Units	400		53.91		1.36		55.27	
Un-Protected	x	501 - 600 Units	600		53.77		1.36		55.13	
Un-Protected	xi	601 - 700 Units	800		53.62		1.36		54.98	
Un-Protected	vi	Above 700 Units	1,000		53.48		1.36		54.83	
	b)	For Sanctioned load 5 kW & above			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
		Time Of Use	1,000		54.18	51.66	1.36	1.36	55.54	53.02
	c)	Pre-Paid Residential Supply Tariff	1,000		59.58		1.36		60.94	

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		FYA 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		43.52		1.36		44.87	
b)	For Sanctioned load 5 kW & above		1,250	41.41		1.36		42.77	
				Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
c)	Time Of Use	-	1,250	62.50	44.60	1.36	1.36	63.86	45.96
d)	Electric Vehicle Charging Station	-	-	52.12		1.36		53.48	
e)	Pre-Paid Commercial Supply Tariff		1,250	52.14		1.36		53.50	

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	FYA 2025 Rs/kWh	Total Variable Charges Rs/kWh
		A	B	C	D	E=C+D
a)	General Services	1,000	-	49.70	1.36	51.06
b)	Pre-Paid General Services Supply Tariff	1,000	-	57.35	1.36	58.71

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		FYA 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	-	55.87		1.36		57.23	
B2(a)	exceeding 25-500 kW (at 400 Volts)	-	1,250	54.12		1.36		55.48	
	Time Of Use			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
B1 (b)	Up to 25 KW	1,000		58.73	53.30	1.36	1.36	60.09	54.65
B2(b)	exceeding 25-500 kW (at 400 Volts)	-	1,250	58.31	49.46	1.36	1.36	59.67	50.81
B3	For All Loads up to 5000 kW (at 11,33 kV)	-	1,250	58.79	44.19	1.35	1.36	60.15	45.55
B4	For All Loads (at 66,132 kV & above)	-	1,250	57.87	48.00	1.36	1.36	59.23	49.36
Pre-Paid Industrial Supply Tariff		-	1,250	55.68		1.36		57.04	

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		FYA 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		51.55		1.36		52.91	
b)	Sanctioned load 5 kW & up to 500 kW	-	1,250	38.04		1.36		39.40	
C-2(a)	For supply at 11,33 kV up to and including 5000 kW	-	1,250	38.75		1.36		40.10	
C-3(a)	For supply at 66 kV & above and sanctioned load above 5000 kW	-	1,250	45.52		1.36		46.88	
	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	49.38	43.03	1.36	1.36	50.74	44.39
C-2(b)	For supply at 11,33 kV up to and including 5000 kW	-	1,250	52.03	35.96	1.36	1.36	53.39	37.32
C-3(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	-	1,250	55.26	43.58	1.36	1.36	56.61	44.94
Pre-Paid Bulk Supply Tariff			1,250	46.11		1.36		47.47	

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.

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SCHEDULE OF ELECTRICITY TARIFFS
FOR QUETTA ELECTRIC SUPPLY COMPANY (QESCO)

D - AGRICULTURE TARIFF

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	
D-1(a)	SCARP less than 5 kW	-	-	43.51		1.36		44.87	
D-2 (a)	Agricultural Tube Wells	-	400	31.20		1.36		32.56	
				Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
D-1(b)	SCARP 5 kW & above	-	400	40.40	38.22	1.36	1.36	41.76	39.58
D-2 (b)	Agricultural 5 kW & above	-	400	54.81	50.38	1.36	1.36	56.17	51.74
Pre-Paid for Agri & Scarp		-	400	36.08		1.36		37.44	

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	FTA 2025 Rs/kWh	Total Variable Charges Rs/kWh
		A	B	C	D	E=C+D
E-1(i)	Residential Supply	2,000		60.33	1.36	61.69
E-1(ii)	Commercial Supply	5,000		58.76	1.36	60.12
E-2	Industrial Supply	5,000		62.63	1.36	63.99

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	FTA 2025 Rs/kWh	Total Variable Charges Rs/kWh
		A	B	C	D	E=C+D
	Street Lighting	2,000		48.33	1.36	49.69

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	FTA 2025 Rs/kWh	Total Variable Charges Rs/kWh
		A	B	C	D	E=C+D
	Residential Colonies attached to industrial premises	2,000.00		43.67	1.36	45.03

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

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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)	420	368	419	359	389	400	398	355	433	408	383	418	4,750

Fuel Cost Component	10.3954	6.7337	7.9952	8.2498	8.4315	7.7138	7.0929	7.0998	7.4596	7.6696	6.2441	8.0165	7.7992
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	0.3804
Capacity	19.3280	27.5343	20.3125	23.0582	17.4168	14.2571	15.8619	16.9006	16.5652	20.2902	25.6464	23.6668	19.9996
UoSC	2.1078	2.7482	2.2710	2.9383	2.4705	2.0954	2.2476	2.3245	2.2971	2.5459	2.6737	2.6032	2.4354
Total PPP in Rs. / kWh	32.2224	37.3129	30.9313	34.6182	28.7963	24.5063	25.6053	26.7130	26.7136	31.1507	34.8661	34.6076	30.6147

Fuel Cost Component	4,362	2,480	3,346	2,964	3,283	3,086	2,822	2,521	3,233	3,211	2,393	3,350	37,050
Variable O&M	164	109	148	134	186	176	160	138	170	173	116	134	1,807
Capacity	8,109	10,141	8,501	8,285	6,782	5,704	6,310	6,002	7,179	8,278	9,828	9,990	95,008
UoSC	884	1,012	950	1,056	962	839	894	825	995	1,039	1,025	1,088	11,569
Total PPP in Rs. Mln	13,520	13,742	12,946	12,438	11,214	9,804	10,186	9,486	11,577	12,700	13,361	14,462	145,434

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

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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 QESCO 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.

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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%.

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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

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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

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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.

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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

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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

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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.

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.

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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

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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.

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Annex-VI

Annex-VI (Working of PYA

Description	Units	QESCO
FY 2023-24 - Purch & Sales		
July		
Purchases		611
T&D Losses		14.04%
Sales after Losses		525
Sales net of Incremental units		521
ISP Sales		4.11
FCA - Rs./kWh		1.48
FCA Impact - Rs. Mln		4.7
Life Line		3.2
Prep-EVCs		-
Protec.-upto 300 + Agri		318.9
Units		3.2
August		
Purchases		635
T&D Losses		14.04%
Sales after Losses		546
Sales net of Incremental units		543
ISP Sales		3.14
FCA - Rs./kWh		1.72
FCA Impact - Rs. Mln		5.4
Life Line		3.1
Prep-EVCs		
Protec.-upto 300 + Agri		347.2
Units		3.1
September		
Purchases		508
T&D Losses		14.04%
Sales after Losses		437
Sales net of Incremental units		430
ISP Sales		6.96
FCA - Rs./kWh		0.42
FCA Impact - Rs. Mln		1.3
Life Line		3.2
Prep-EVCs		-
Protec.-upto 300 + Agri		298.5
Units		3.2
October		
Purchases		397
T&D Losses		14.04%
Sales after Losses		341
Sales net of Incremental units		336
ISP Sales		4.96
FCA - Rs./kWh		2.15
FCA Impact - Rs. Mln		9.5
Life Line		3.0
Prep-EVCs		-
Protec.-upto 300 + Agri		235.3
Units		3.0
November		
Purchases		413
T&D Losses		14.04%
Sales after Losses		355
Sales net of Incremental units		355
ISP Sales		-
FCA - Rs./kWh		4.20
FCA Impact - Rs. Mln		11.9
Life Line		2.8
Prep-EVCs		-
Protec.-upto 300 + Agri		215.9
Units		2.8
December		
Purchases		533
T&D Losses		14.04%
Sales after Losses		458
Sales net of Incremental units		458
ISP Sales		-
FCA - Rs./kWh		4.42
FCA Impact - Rs. Mln		12.7
Life Line		2.8
Prep-EVCs		-
Protec.-upto 300 + Agri		245.1
Units		2.8
January		
Purchases		495
T&D Losses		14.04%
Sales after Losses		426
Sales net of Incremental units		426
ISP Sales		-
FCA - Rs./kWh		7.11
FCA Impact - Rs. Mln		19.4
Life Line		2.7
Prep-EVCs		-
Protec.-upto 300 + Agri		231.0
Units		2.7
February		
Purchases		450
T&D Losses		14.04%
Sales after Losses		386
Sales net of Incremental units		386
ISP Sales		-
FCA - Rs./kWh		4.98
FCA Impact - Rs. Mln		14.2
Life Line		2.9
Prep-EVCs		-
Protec.-upto 300 + Agri		264.2
Units		2.9

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Annex-VI (Working of PYA

Description	Unit	QESCO
March		
Purchases		409
T&D Losses		14.04%
Sales after Losses		351
Sales net of Incremental units		351
ISP Sales		-
FCA - Rs./kWh		2.95
FCA Impact - Rs. Mln		8.4
Life Line		2.9
Prep+EVCs		-
Protec.-upto 300 + Agri		211.2
Units		2.9
April		
Purchases		379
T&D Losses		14.04%
Sales after Losses		326
Sales net of Incremental units		326
ISP Sales		-
FCA - Rs./kWh		3.47
FCA Impact - Rs. Mln		10.0
Life Line		2.9
Prep+EVCs		-
Protec.-upto 300 + Agri		203.9
Units		2.9
May		
Purchases		500
T&D Losses		14.04%
Sales after Losses		430
Sales net of Incremental units		430
ISP Sales		-
FCA - Rs./kWh		3.41
FCA Impact - Rs. Mln		8.8
Life Line		2.6
Prep+EVCs		-
Protec.-upto 300 + Agri		22.7
Units		2.6
June		
Purchases		516
T&D Losses		14.04%
Sales after Losses		443
Sales net of Incremental units		443
ISP Sales		-
FCA - Rs./kWh		2.61
FCA Impact - Rs. Mln		7.1
Life Line		2.7
Prep+EVCs		-
Protec.-upto 300 + Agri		219.6
Units		2.7
FY 2024-25 - Purch & Sales		
July		
Purchases		573
T&D Losses		13.81%
Sales after Losses		494
Sales net of Incremental units		494
ISP Sales		
FCA - Rs./kWh		-0.33
FCA Impact - Rs. Mln		-80.3
Life Line		2.6
Prep+EVCs		-
Protec.-upto 300 + Agri		211.7
Units		211.6
August		
Purchases		461
T&D Losses		13.81%
Sales after Losses		398
Sales net of Incremental units		398
ISP Sales		
FCA - Rs./kWh		-0.83
FCA Impact - Rs. Mln		-165.0
Life Line		2.7
Prep+EVCs		-
Protec.-upto 300 + Agri		200.0
Units		202.7
September		
Purchases		429
T&D Losses		13.81%
Sales after Losses		370
Sales net of Incremental units		370
ISP Sales		
FCA - Rs./kWh		-1.21
FCA Impact - Rs. Mln		-245.8
Life Line		2.8
Prep+EVCs		-
Protec.-upto 300 + Agri		199.7
Units		202.5
October		
Purchases		403
T&D Losses		13.81%
Sales after Losses		348
Sales net of Incremental units		348
ISP Sales		
FCA - Rs./kWh		-1.03
FCA Impact - Rs. Mln		-212.1
Life Line		2.8
Prep+EVCs		-
Protec.-upto 300 + Agri		202.4
Units		205.2
November		
Purchases		380
T&D Losses		13.81%
Sales after Losses		327
Sales net of Incremental units		327
ISP Sales		-
FCA - Rs./kWh		-0.66
FCA Impact - Rs. Mln		-132.9
Life Line		2.9
Prep+EVCs		-
Protec.-upto 300 + Agri		198.8
Units		201.6

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Annex-VI (Working of PYA

Description	Unit	QESCO
December		
Purchases		414
T&D Losses		13.81%
Sales after Losses		357
Sales net of Incremental units		354
ISP Sales		2.72
FCA - Rs./kWh		-1.13
FCA Impact - Rs. Mln		-231.6
Life Line		2.9
Prep-EVCs		-
Protec.-upto 300 + Agri		201.8
Units		204.7
January		
Purchases		416
T&D Losses		13.81%
Sales after Losses		358
Sales net of Incremental units		355
ISP Sales		3.25
FCA - Rs./kWh		-2.02
FCA Impact - Rs. Mln		-391.3
Life Line		2.9
Prep-EVCs		-
Protec.-upto 300 + Agri		190.9
Units		193.8
February		
Purchases		365
T&D Losses		13.81%
Sales after Losses		314
Sales net of Incremental units		311
ISP Sales		3.23
FCA - Rs./kWh		-0.30
FCA Impact - Rs. Mln		-53.5
Life Line		3.0
Prep-EVCs		-
Protec.-upto 300 + Agri		173.6
Units		176.6
March		
Purchases		415
T&D Losses		13.81%
Sales after Losses		357
Sales net of Incremental units		357
ISP Sales		-
FCA - Rs./kWh		-0.03
FCA Impact - Rs. Mln		-0.1
Life Line		3.0
Prep-EVCs		-
Protec.-upto 300 + Agri		204.7
Units		207.7
April		
Purchases		356
T&D Losses		13.81%
Sales after Losses		307
Sales net of Incremental units		307
ISP Sales		-
FCA - Rs./kWh		1.23
FCA Impact - Rs. Mln		3.4
Life Line		2.7
Prep-EVCs		-
Protec.-upto 300 + Agri		163.6
Units		2.7
May		
Purchases		366
T&D Losses		13.81%
Sales after Losses		333
Sales net of Incremental units		333
ISP Sales		-
FCA - Rs./kWh		-0.35
FCA Impact - Rs. Mln		-1.0
Life Line		2.4
Prep-EVCs		-
Protec.-upto 300 + Agri		142.5
Units		145.3
June		
Purchases		396
T&D Losses		13.81%
Sales after Losses		342
Sales net of Incremental units		342
ISP Sales		-
FCA - Rs./kWh		-0.68
FCA Impact - Rs. Mln		-1.7
Life Line		2.5
Prep-EVCs		-
Protec.-upto 300 + Agri		144.5
Units		147.0
FY [illegible]		
July		
Purchases		394
T&D Losses		13.81%
Sales after Losses		340
Sales net of Incremental units		340
ISP Sales		-
FCA - Rs./kWh		-1.71
FCA Impact - Rs. Mln		-3.9
Life Line		2.3
Prep-EVCs		-
Protec.-upto 300 + Agri		128.9
Units		131.2
August		
Purchases		352
T&D Losses		13.81%
Sales after Losses		303
Sales net of Incremental units		303
ISP Sales		-
FCA - Rs./kWh		0.15
FCA Impact - Rs. Mln		0.4
Life Line		2.3
Prep-EVCs		-
Protec.-upto 300 + Agri		82.7
Units		2.3
September		
Purchases		359
T&D Losses		13.81%
Sales after Losses		309
Sales net of Incremental units		309
ISP Sales		-
FCA - Rs./kWh		-0.38
FCA Impact - Rs. Mln		-0.9
Life Line		2.5
Prep-EVCs		-
Protec.-upto 300 + Agri		64.0
Units		64.3

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Annex-VI (Working of PYA

Description	Units	QESCO
October [illegible]		
Purchases		-
T&D Losses		-
Sales after losses		-
Sales net of Incremental units		-
ISP Sales		-
FCA - Rs./kWh		-
FCA Impact - Rs. Mln		-
Life Line		2.0
Prep+LVCs		-
Protect. upto 300 - Agri		40.1
Units		2.0
4th Qtr. FY 2022-23 (Oct. 23 to Mar. 24)		
Allowed Amount		7,137
Qtr. Rs./kWh		2.74
Recovered		4,756
Under/(Over) Recovery		451
1st Qtr. FY 2023-24 (Jan. Mar. 24)		
Allowed Amount		- 2,479
Qtr. Rs./kWh		- 2.12
Recovered		- 2,446
Under/(Over) Recovery		- 233
2nd Qtr. FY 2023-24 (Apr. Jun. 24)		
Allowed Amount		11,098
Qtr. Rs./kWh		7.3428
Recovered		8,791
Under/(Over) Recovery		2,307
3rd Qtr. FY 2023-24 (Jun. Aug. 24)		
Allowed Amount		5,219
Qtr. Rs./kWh		3.25
Recovered		4,316
Under/(Over) Recovery		903
4th Qtr. FY 2023-24 (Sep. Nov. 24)		
Allowed Amount		8,113
Qtr. Rs./kWh		6.99
Recovered		7,250
Under/(Over) Recovery		863
1st Qtr. FY 2024-25 (Dec. 24)		
Allowed Amount		1,870
Qtr. Rs./kWh		3.98
Recovered		1,399
Under/(Over) Recovery		471
2nd Qtr. FY 2024-25 (Apr. Jun. 25)		
Allowed Amount		- 1,762
Qtr. Rs./kWh		- 1.18
Recovered		- 1,145
Under/(Over) Recovery		- 617
3rd Qtr. FY 2024-25 (May. July. 25)		
Allowed Amount		- 2,443
Qtr. Rs./kWh		- 1.56
Recovered		- 1,567
Under/(Over) Recovery		- 876
[illegible] Impact of Negative FCA [illegible]		
March 2024 to September 2025		
Positive FCA Impact to be allowed		4
Negative FCA Impact retained	Rs. Mln	- 8
Net Impact	Rs. Mln	- 4
FCA Impact - Adjusted as PYA	Rs. Mln	- 4
D.M. FY 2023-24		
Allowed Amount	Rs. Mln	28,963
Rate. Rs./kWh	Rs./kWh	5.06
Recovered	Rs. Mln	25,324
Under/(Over) Recovery	Rs. Mln	3,639
D.M FY 2024-25		
Allowed Amount	Rs. Mln	28,883
Rate. Rs./kWh	Rs./kWh	5.30
Recovered	Rs. Mln	22,763
Under/(Over) Recovery	Rs. Mln	6,121
PYA 2023-24		-
Allowed Amount	Rs. Mln	7,553
Rate Rs./kWh	Rs./kWh	1.32
Recovered	Rs. Mln	6,573
Under/(Over) Recovery	Rs. Mln	981
PYA 2024-25		-
Allowed Amount	Rs. Mln	14,623
Rate. Rs./kWh	Rs./kWh	2.66
Recovered	Rs. Mln	11,434
Under/(Over) Recovery	Rs. Mln	3,189
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	214
Minimum Tax	Rs. Mln	2,616
PM Assistance Package	Rs. Mln	164
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	
LUBC, 3rd Qtr. Posting error	Rs. Mln	
NEPRA Supplier License fee	Rs. Mln	44
Minimum Tax - FY 2025	Rs. Mln	
Post-retirement benefit	Rs. Mln	605
Pay & Allowances	Rs. Mln	
Depreciation True up	Rs. Mln	
Total		3,643
Sales Mix Var.		
FY 2022-23	Rs. Mln	391
FY 2023-24	Rs. Mln	
FY 2024-25	Rs. Mln	
Excess LPS to be adjusted - FY 2024		
LPS Recovered from Consumers	Rs. Mln	
Supplemental charges billed by CPPA	Rs. Mln	
Net	Rs. Mln	-
Excess LPS to be adjusted - FY 2025		
LPS Recovered from Consumers	Rs. Mln	
Supplemental charges billed by CPPA	Rs. Mln	
Net	Rs. Mln	-
Total		-
Adjustment in PYA	Rs. Mln	-
[illegible] Total [illegible]	Rs. Mln	20,848

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Annex-VI (Working of PYA

Description	Unit	QESCO
MYT True Up FY 2024-25		QESCO
FY 2023-24		
Provision for Post Retirement Benefit		
Allowed	Rs. Mln	
Benefit Paid	Rs. Mln	
Transferred to Account	Rs. Mln	
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	2,631
Actual	Rs. Mln	1,903
Under/(Over) Recovery	Rs. Mln	- 728
Depreciation FY 2024-25		
Allowed	Rs. Mln	2,915
Actual	Rs. Mln	2,022
Under/(Over) Recovery	Rs. Mln	- 893
RAB (Investment + KIBOR) FY 2023-24		
Allowed	Rs. Mln	15,994
Actual	Rs. Mln	11,851
Under/(Over) Recovery	Rs. Mln	- 4,143
RAB (Investment + KIBOR) FY 2024-25		
Allowed	Rs. Mln	14,185
Actual	Rs. Mln	8,952
Under/(Over) Recovery	Rs. Mln	- 5,233
Other Income FY 2023-24		
Allowed	Rs. Mln	1,911
Actual	Rs. Mln	1,707
Under/(Over) Recovery	Rs. Mln	204
Other Income FY 2024-25		
Allowed	Rs. Mln	1,913
Actual	Rs. Mln	3,503
Under/(Over) Recovery	Rs. Mln	- 1,590
Total MYT True Up	Rs. Mln	- 12,314
Total PYA FY 2024	Rs. Mln	8,463

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