National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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No. NEPRA/TRF-633/TESCO-Supply/2025/ 309-16

January 07, 2026

SUBJECT: **DETERMINATION OF THE AUTHORITY IN THE MATTER OF PETITION FILED BY TRIBAL AREAS ELECTRICITY SUPPLY COMPANY LIMITED (TESCO) 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, Energy and Power Department, Government of Khyber Pakhtunkhwa, First Floor, A-Block, Abdul Wali Khan Multiplex, Civil Secretariat, Peshawar
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, Tribal Areas Electric Supply Company Limited (TESCO), Room No. 213, 1st Floor, WAPDA House, Shami Road, Sakhi Chashma, Peshawar
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-633/TESCO/MYT- Supply/2025

DETERMINATION OF SUPPLY OF POWER TARIFF PETITION

FOR

TRIBAL AREAS ELECTRICITY SUPPLY COMPANY LIMITED (TESCO)

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
TESCO	Tribal Areas Electricity 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 TRIBAL AREAS ELECTRICITY SUPPLY COMPANY LIMITED (TESCO) FOR DETERMINATION OF SUPPLY OF POWER TARIFF UNDER MYT REGIME FOR THE FY 2025-26 TO FY 2029-30

CASE NO. NEPRA/TRF-633/TESCO/MYT- Supply/2025

PETITIONER

Tribal Areas Electricity Supply Company Limited (TESCO), WAPDA House, Shami Road Peshawar.

INTERVENER
Nil

COMMENTATOR
Nil

REPRESENTATION

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

1.2. TESCO 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 number 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. TESCO also requested for 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 the request of TESCO and granted an "Interim tariff", vide decision dated 23.06.2025 for FY 2025-26, subject to adjustment and/ or refund, on the basis 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	FY2025-26	FY2026-27	FY2027-28	FY2028-29	FY2029-30
Power Purchase Price	Rs. Mln	60,930	64,490	72,681	73,157	78,219
Energy Charges	Rs. Mln	16,682	18,790	21,177	23,866	26,897
Capacity Charges	Rs. Mln	40,339	41,471	46,738	43,925	45,271
Use of System Charges + MOF	Rs. Mln	3,909	4,229	4,766	5,366	6,051
Distribution Business Cost	Rs. Mln	5,045	5,418	5,992	6,613	7,258
Supply Business Cost						
Salaries and benefits	Rs. Mln	338	394	455	525	606
Retirement Benefit	Rs. Mln	130	149	172	197	227
Repair and Maintenance	Rs. Mln	27	31	31	34	33
Travelling expenses	Rs. Mln	11	12	14	15	17
Vehicle expenses	Rs. Mln	17	19	21	23	25
Bad debts	Rs. Mln	1,661	1,769	1,991	2,022	2,167
Other expense	Rs. Mln	21	22	23	28	30
Total O&M Costs	Rs. Mln	2,205	2,396	2,707	2,844	3,105
Depreciation	Rs. Mln	7	8	10	13	18
Return on Rate Base	Rs. Mln	34	34	33	34	36
Net Margin	Rs. Mln	2,246	2,438	2,750	2,891	3,159
Financial Charges	Rs. Mln	12	14	17	21	23
Total Revenue Requirement	Rs. Mln	68,233	72,360	81,440	82,682	88,659
Projected Sales	GWh	1,352	1,368	1,388	1,410	1,433
Requested Tariff	Rs./kWh	50.47	52.89	58.67	58.64	61.87

2. Proceedings

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

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2.2. The hearing in the matter was scheduled on November 03, 2025, for which notice of admission / hearing along-with the title and brief description of the petition was published in the newspapers on 24.10.2025, and also uploaded on NEPRA website; Individual notices were also issued to stakeholders/ interested parties.

3. Issues of Hearing

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 17.41% is justified?

v. Whether the requested PYA is justified?

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

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

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

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

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

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

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

4. Filing Of Objections/ Comments

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 notice of the admission in terms of Rule 6, 7 & 8 of the Rules. In response no intervention request/ comments were received.

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 Authorityare given as under;

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

5.1. The Petitioner, submitted that consumption pattern for the forecasted period has been developed based on the PMS Report for FY 2023-24 of TESCO. TESCO anticipates that consumer growth will continue in line with historical trends, and it is projected that TESCO's consumers will grow at an average rate of 1.8% annual for the forecasted period 2024-25 to 2033-34. While determining the Power Purchase Cost, the projected power purchase cost of CPPA-G has been adopted as the base reference as given below;

Description	Units	2024-25	2024-25	2025-26
		NEPRA	Actual	Projected
Units Purchased	[MkWh]	1499	1451	1479
Units Lost	[MkWh]	133	124	127
Units Lost	[%age]	8.89%	8.60%	8.60%
Units Sold	[MkWh]	1366	1327	1352

Description	Units	2024-25	2025-26
		Actual	Projected
Energy Charge	[Mln Rs]	15,879	16,682
Capacity Charge	[Mln Rs]	36,166	40,339
Transmission Charge	[Mln Rs]	3,666	3,909
Total Power Purchase Cost	[Mln Rs]	55,711	60,930
Units Purchased	GWh	1451	1,352
Power Purchase Per Unit	Rs./kWh	38.39	45.07

5.2. 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. **Whether the requested MYT for a control period of five years is justified?**

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 the licensee for recovery of any and all costs prudently incurred to meet the demonstrated needs of their consumers. The Petitioner also submitted that it has filed Investment Plan and assessment of T&D losses for a period of five years, which are 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 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.

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

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

8.1. The Petitioner's submitted that its Operations and Maintenance (O&M) expenses include Salaries and Wages, Repair and Maintenance, Travelling, Vehicle Running, Management Fee, Computer Services, Damages and Injuries, Rent and Rates, Bad Debts, and other miscellaneous expenses. All expenditures related to Revenue Offices are fully charged to the Supply of Power component. Expenses incurred at the Head Office are allocated based on the level of services provided, and 80% of Computer Center expenses are apportioned to the Supply component using the number of employees as the cost driver.

8.2. The projection of O&M expenses for the control period from FY 2025–26 to FY 2029–30 has been prepared using the audited financial accounts of FY 2023–24 and the first three quarters of actual expenses for FY 2024–25 as the baseline. Salaries have been projected based on an expected 17.5% annual increase, which aligns with government policy, comprising an average 12.5% budgetary increase announced by the Federal Government and an additional 5% annual increment. Pension costs have been projected with a 15% annual increase, while Repair & Maintenance and all other operating expenses have been escalated based on the historical 10-year average Consumer Price Index (CPI) inflation, which averages out to 10.81%.

8.3. 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
Salaries, Wages & Benefits	338	394	455	525	606
Retirement Benefits	130	149	172	197	227
Total Employees Cost	468	543	626	722	833
Repair & Maintenance	27	31	31	34	33
Travelling	11	12	14	15	17
Transportation	17	19	21	23	25
Other Expenses	10	11	12	14	15
Management fee / Bod Fee	2	2	2	3	3
Consultancy, audit & legal fee	4	4	5	5	6
Computer services	2	2	2	3	3
Rent, rates and taxes	1	1	1	1	2
Other miscellaneous expenses	1	1	1	1	2
Bad Debts	1661	1769	1991	2022	2167
Total O&M	**2205**	**2396**	**2707**	**2844**	**3105**

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

Salaries & Wages & Pension:

✓ Employment costs, including salaries, wages, and employee retirement benefits, constitute a major portion of TESCO's Operations and Maintenance (O&M) expenses. In the Annual Budget for FY 2024–25, the Government of Pakistan announced a

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significant increase in public sector compensation, including a 20% ad hoc allowance for officers, 25% for officials, and a 15% increase in pensions.

✓ In addition to these budgetary measures, the impact of the annual increment cycle further contributes to the increase in employment costs. Furthermore, TESCO anticipates new hiring during the control period to meet growing operational needs, network expansion, and compliance obligations. Also, TESCO has unbundled its welfare fund from WAPDA so the relevant expenses in respect of marriage grant, monthly grant and scholarships will be paid out of TESCO's own resources.

✓ Considering these factors collectively, an average increase of 17.5% in employment-related costs has been projected and requested, ensuring that TESCO can continue to attract, retain, and adequately compensate its workforce in line with government policies and operational demands.

<u>Travelling Expenses</u>

✓ Due to the aging infrastructure and the increased requirement for major system overhauls, TESCO has had to deploy additional manpower to remote and far-flung areas for extended periods. In parallel, to enhance the capacity and skillset of its workforce, a range of training programs and technical courses have been conducted, resulting in increased travel and accommodation needs for staff.

✓ In addition, the Federal Government has revised the rates for Daily Allowance, Travelling Allowance, and Mileage Allowance, leading to an overall 30% increase in travel-related costs. This revision has had a significant impact on TESCO's expenditure under the Travelling Allowance head.

✓ For the purpose of projecting Travelling Expenses during the control period starting from FY 2025-26 to FY 2029-30, TESCO has applied a historical Consumer Price Index (CPI)-based increase of 10.81%, reflecting the 10-year average inflation trend. This approach ensures a realistic and inflation-adjusted forecast of travel-related costs aligned with national economic conditions.

✓ Accordingly, the requested increase in Travelling Expenses is fully justified and forms an essential part of TESCO's O&M cost projections for the control period.

<u>Vehicle Maintenance and POL Costs:</u>

✓ TESCO operates across an extensive area of approximately 27,219 square kilometers, necessitating the maintenance of a substantial fleet to ensure reliable service delivery. As of the latest data, TESCO manages a fleet of 112 operational vehicles. To enhance operational efficiency and meet the growing demands of its service area, TESCO has recently procured additional vehicles, including 8 bucket-mounted trucks, 27 porters, and 21 pickup vehicles.

✓ The cost of petroleum products has seen a significant rise over the years. Notably, the average petrol price during FY 2019-20 was Rs. 117.50 per litre. As of April 2025, the petrol price stands at Rs. 254.63 per litre, reflecting an increase of approximately 116.6% over the period.

✓ In projecting vehicle maintenance and POL (Petrol, Oil, and Lubricants) expenses for the control period starting FY 2025-26, TESCO has applied a historical Consumer Price

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Index (CPI)-based inflation rate of 10.81%, which represents the average inflation trend over the past ten years. This adjustment accounts for the rising costs associated with vehicle operation and maintenance, including fuel, spare parts, and service charges.

- ✓ Considering these factors, TESCO requests approval for the adjusted vehicle maintenance and POL costs to ensure the continued reliability and efficiency of its fleet operations throughout the control period.

<u>Other Expenses</u>

- ✓ The "Other Expenses" head includes all essential costs that are not covered under previously discussed categories. Major components of these expenses include Injuries and Damages, Consultancy Fees, ERP Charges, Safety Consultant Fees, Legal Fees, Board of Directors Fees, Rent, Advertising Charges, Telephone and Communication Services, Computer Services, and utilities such as Power, Light, and Water, among others.
- ✓ To project these costs for the control period from FY 2025–26 to FY 2029–30, TESCO has applied a historical Consumer Price Index (CPI)-based inflation rate of 10.81%, which reflects the average general inflation trend over the past decade. This approach provides a balanced and economically sound basis for forecasting future costs without overstating inflationary impacts.
- ✓ Accordingly, TESCO requests approval for the indexed increase in "Other Expenses" to ensure continuity of critical administrative and operational functions throughout the control period.

<u>Repair & Maintenance Expenses</u>

- ✓ The Repair and Maintenance (R&M) costs are a necessary and recurring component of TESCO's operational expenditures, ensuring the continued functionality and reliability of its physical infrastructure. These expenses cover routine upkeep of office equipment, office buildings, and other facilities essential for the day-to-day operations of the Supply Business.
- ✓ For the purpose of projecting R&M expenses during the control period from FY 2025–26 to FY 2029–30, TESCO has applied a historical Consumer Price Index (CPI)-based inflation rate of 10.81%, which reflects the average inflation trend over the last ten years. This inflation-adjusted forecast ensures that the company can maintain its operational infrastructure efficiently and respond promptly to maintenance needs, thereby supporting service quality and regulatory compliance.

<u>Bad Debts</u>

- ✓ The Petitioner requested an amount of Rs.1,661 million as bad debts for the FY 2025-26, and submitted that provision for bad debts has been calculated based on an average of 3.5% of the total revenue requirement, in line with historical recovery trends and actual collection performance observed over previous years. This percentage reflects a prudent and realistic estimate of the receivables that may not be recovered due to factors such as non-payment by consumers, disputed bills, and systemic challenges in remote or high-loss areas.
- ✓ TESCO operates in geographically dispersed and socio-economically diverse regions, where recovery risks are relatively higher due to structural and administrative

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limitations. Accordingly, the 3.5% provision has been applied to ensure that the financial health of the company is not adversely impacted by expected non-collection, and that operational stability and liquidity are preserved throughout the control period.

- ✓ This provision is consistent with accepted regulatory practices and helps maintain financial prudence while ensuring that service obligations can continue to be met without disruption.
- ✓ The Petitioner during the hearing reiterated its submissions.

8.5. On the issue of controllable and uncontrollable factors, the Petitioner's submitted that Petrol, Oil & Lubricants (POL) and travelling allowance (TA) may be considered as controllable expenses, whereas Operations Expenses, Salaries, Wages, and Pensions and Repair & Maintenance (R&M) may be classified as uncontrollable expenses.

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

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

8.7. Further, as per 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 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.

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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 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.1,258 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.1,445 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,

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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.285 million.

9.6. The assessed Salaries & Wages costs for the FY 2025-26 i.e. Rs.285 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 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. <u>Post-Retirement Benefits</u>

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

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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 TESCO, 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. 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.649 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 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.157 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 such expenses cover routine upkeep of office equipment, office buildings, and other facilities essential for the day-to-day operations of the Supply Business.

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.

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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.267 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.28 million.

12.5. The assessed repair and maintenance cost for the FY 2025-26 i.e. Rs.28 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 consider to revise the R&M assessment of the Petitioner, based on such disclosure/certification.

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

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 its supply function;

Mln. Rs.

Description	2025-26
Travelling	11
Transportation	17
Other Expenses	10
Management fee / Bod Fee	2
Consultancy, audit & legal fee	4
Computer services	2
Rent, rates and taxes	1
Other miscellaneous expenses	1
Total O&M	**48**

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

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2024-25, has decided to allow an amount of Rs.210 million to TESCO for the FY 2025-26. The said amount of Rs.210 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.108 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.

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.

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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 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. <u>Whether the requested/projected amount under heads of Other Income, Deprecations and RORB based on WACC of 17.41% is justified?</u>

<u>Depreciation</u>

14.1. The Petitioner has requested an amount of Rs.837 million on account of Depreciation and submitted that projected depreciation expense has been calculated based on the value of existing fixed assets, along with anticipated additions during each year of the control period. Depreciation is applied in accordance with standard utility accounting practices using the straight-line method over the useful life of the assets. The applicable depreciation rates for various asset categories are as follows:

- Buildings and Civil Works: 2%
- Plant and Machinery: 3.5%
- Office Equipment and Vehicles: 10%
- Other Assets: 10%

14.2. 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

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charge on the Gross Fixed Assets in Operation, including new investment and will be considered reference for the tariff control period.

14.3. 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	TESCO
FY 2025-26	1,783
FY 2026-27	1,591

14.4. 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.

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

Provisional T&D Loss	TESCO
FY 2025-26	8.89%
FY 2026-27	8.89%

14.6. 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.

RevisedT&D Loss Target (Failure to submit study)	TESCO
FY 2025-26	7.70%
FY 2026-27	7.70%

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14.7. 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.

14.8. Not used

14.9. Not used

14.10. 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.692 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.

14.11. 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.651 million for the FY 2025-26. Accordingly, the consumers would bear net depreciation of Rs.41 million.

14.12. 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.10 million.

15. <u>RoRB</u>

15.1. The Petitioner submitted that in accordance with NEPRA's Tariff Standards and Procedure Rules, 1998, TESCO has calculated the Regulatory Asset Base (RAB) for the financial years 2025–26 to 2029–30 by summing the projected net fixed assets and the closing balance of work-in-progress (CWIP), and then deducting the projected deferred credits.

15.2. To determine the Average Regulatory Asset Base for each year, the RAB values at the beginning and end of the year are averaged. The Return on Rate Base (RORB) is then calculated by applying the Weighted Average Cost of Capital (WACC) to this average RAB. This approach ensures that TESCO's return is commensurate with its investment risk profile and capital structure, promoting continued investment in the power sector.

15.3. To estimate the Return on Equity (RoE), TESCO has applied the Capital Asset Pricing Model (CAPM), a widely recognized model used by regulatory agencies across the world to determine the cost of equity for regulated utilities. Under this model, the following inputs have been used:

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- Risk-Free Rate (RFR): 0.554%, derived from the 5-year PIB return
- Market Return:11.92%, based on long-term average performance of KSE-100 index
- Beta: 1.1, indicating the volatility of TESCO relative to the market

15.4. Based on the above parameters, the estimated RoE for FY 2025–26 has been calculated as 16.92%. For the Cost of Debt, TESCO has considered the 6-month KIBOR rate as of April 28, 2025, which stood at 12.01%, and added a spread of 7% to reflect risk and borrowing conditions, resulting in a total Cost of Debt of 19.01%. Accordingly, the WACC has been worked out as under;

WACC= ((Ke x (E/V) + (Kd x (D/V))
WACC = [13.11%*30%] + [19.01%*70%] = 17.41%

15.5. TESCO has projected 17.41%, 15.91%, 14.41%, 12.91%, 11.41% WACC for FY 2025-26 to 2029-30 respectively while incorporating same methodology.

15.6. 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;

15.7. 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.

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

<u>Cost of Equity:</u>

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

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

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

Kd = KIBOR + Spread

15.9. 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%;

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15.10. 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.

15.11. 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.

15.12. 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.

15.13. 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.

15.14. 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)*.

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

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

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

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15.16. 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;

	TESCO	
Description	FY 2024-25	FY 2025-26
Fixed Assets O/B	17,676	19,818
Addition	2,142	2,343
Fixed Assets C/B	19,818	22,161
Depreciation	6,075	6,766
Net Fixed Assets	13,744	15,395
Capital WIP C/B	10,881	11,917
Fixed Assets Inc. WIP	24,625	27,312
	-	-
Less: Deferred Credits	15,512	13,515
Total	9,114	13,797
RAB		11,455
WACC		13.19%
RORB		1,511

15.17. 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.30 million.

15.18. 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.

15.19. 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.

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

15.21. 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

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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.

Other Income

15.22. The Petitioner has submitted that main sources of other income include Interest Income, Sale of Scrape, Amortization of Deferred Credit, and income from non-utility operations. Rental & Service Income etc. Accordingly, the Petitioner has projected an amount of Rs.736 for the FY 2025-26, for its Distribution and Supply Function.

15.23. 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.

15.24. 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.736 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.

15.25. 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.

15.26. 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, the amount of Other Income for the FY 2025-26 i.e. Rs.184 million has been allocated to the Supply function.

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

Financial Charges

15.28. The Petitioner submitted that financial charges are calculated in the light of supplementary business transfer agreement (SBTA) between WAPDA and TESCO and applicable bank charges. The Petitioner submitted following detail in this regard;

DESCRIPTION	Unit	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected
Financial Charges	Rs. Mln	12	14	17	21	23

15.29. The Petitioner has not clearly explained its request of allowing separate financial charges. However, since the Petitioner is allowed RoRB on WACC based model, which also

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accounts for cost of debt, therefore, the Authority does not see any requirement for allowing separate financial charges to the Petitioner.

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 as under;

- ✓ **Salaries, Wages, and Pensions:** To be adjusted annually in line with Federal Government salary and pension revisions announced in the national budget.
- ✓ **Other O&M Components:** To be indexed annually with CPI based on inflation published by the Pakistan Bureau of Statistics (PBS). There is no efficiency factor or consider is as 1.

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 Supply 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.

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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 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

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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.	

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. Depreciation Expenses

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

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

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

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

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

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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>

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. <u>Working Capital</u>

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	TESCO
Current Assets			
Trade debt (days of Revenue Receivable)	25	0.07	4,825
Total Current Assets			4,825
Current Liabilities			
EPP From CPPA	41	0.11	1,446
CPP From CPPA	34	0.09	3,903
Transmission	30	0.08	419
Distribution	30	0.08	320
Total Liabilities			6,087
Net			(1,262)
Cost of debt local			12%
Working Capital Cost			(151)

21.2. As mentioned in the table above, The Petitioner's working capital requirement for the Supply function has been assessed as negative Rs.1,262 million and cost working capital requirement works out as negative Rs.151 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,

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as per the mechanism provided below, once the audited accounts of the Petitioner for the FY 2025-26 are available.

Working capital (Supply)

Revised cost of working capital = Working capital requirement as per given formula x Cost of debt on allowed parameters
-Working capital requirement shall be calculated based on assessed revenue requirement under each head for relevant year.
-Cost of Debt shall 3 Months KIBOR + 1% spread as maximum cap, subject to downward adjustment at the end of each financial year.
Actualization of Previous year based on allowed revenue as PYA

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

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.

- Here it is also pertinent to mention 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 although did not request for any amount under the head of PYA, however, the Authority understands that there are certain costs especially related with the PPP, which are to be trued up subsequently.

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22.2. Accordingly, based on the available information, Authority's decisions in terms of FCAs and Quarterly adjustments for the relevant period, and mechanism provided in the MYT determination, the Authority has assessed the PYA of the Petitioner under various heads as under;

Rs. Mln

Description	TESCO
QTR	3,452
D.M	1,167
PYA	(234)
Sales Mix	787
True Ups	-
2023-24	(374)
2024-25	880
Other Head	(234)
Total	5,443

22.3. 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 requested an amount of Rs.1,661 million on account of provision/ allowance for bad debts for the FY 2025-26 & also for each year of the MYT control period, and provided the following justification in this regard;

- ✓ Due to Non implementation of Land revenue act in FATA region bad debts cannot be written off.
- ✓ The provision for bad debts is calculated at 3.5% of the total revenue requirement, based on historical recovery trends and actual collection performance.
- ✓ The percentage represents a prudent and realistic estimate of receivables unlikely to be recovered due to non-payment, billing disputes, and operational challenges in remote or high-loss areas.
- ✓ TESCO's wide and socio-economically diverse service area increases recovery risks due to structural and administrative constraints.
- ✓ The 3.5% provision ensures financial stability, operational continuity, and adequate liquidity throughout the control period.
- ✓ The approach is consistent with regulatory practices, ensuring financial prudence and reliability in meeting service obligations.

23.2. Here it is pertinent to mention that previously XWDISCOs have not been allowed any recovery loss and tariff setting has been at 100% recovery assumptions. Write offs were allowed to certain XWDISCOs on provisional basis, subject to fulfillment of the laid down criteria, but since no XWDISCO was able to actually write-off any amount, the provisionally allowed amounts of write-offs were adjusted back.

23.3. The Authority although initially allowed recovery loss to K-Electric, however, subsequently in the matter of Motion for Leave for Review filed by various stakeholders

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including the Ministry of Energy (MoE) itself, and the CPPA-G, 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 up-front recovery loss, can be construed as a policy decision, meaning thereby that similar treatment will be offered to other DISCOs.

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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, TESCO's tariff is being determined on the basis of 100% recovery target as also proposed by TESCO itself. TESCO, 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
TESCO	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 proposed that fixed charges should be applied on net metering of industrial and commercial consumers which have independent installed transformer. Consumers on peak kW import may be charged in line with the CPPA-G capacity charges per kW per month, while the variable charges shall be charged as per the

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national energy charges determined by NEPRA on monthly basis. This will help to recover the capacity and network costs incurred by DISCOs for maintaining transmission and distribution infrastructure. These measures ensure cost-reflective tariffs and promotes equitable sharing of system costs among all consumer categories.

24.2. 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*

24.3. 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.

24.4. 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 Ac; whereby, changes in both the methodology and rate for the units being exported by a Distributed Generator (DG), are being proposed.

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

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>

- The Petitioner during the hearing submitted that fixed charges be enhanced in line with the revised tariff structure to ensure cost recovery and tariff rationalization. Fixed charges should be applied based on the on actual MDI, ensuring fairness and consistency across consumer categories. Consumer categories currently not paying fixed charges (excluding domestic consumers but included Net Metering consumers) may be considered for inclusion under the fixed charge framework. This approach will help reflect true capacity costs and strengthen financial sustainability of the utility.

26.1. 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

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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.

26.2. 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.

26.3. 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.

26.4. 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 under the current tariff regime, the tariff structure includes embedded cross-subsidies and inter-DISCO subsidies to balance consumer affordability and utility viability. However, as the power market transitions toward a competitive, market-based framework, a cost-of-service-based approach may be adopted gradually. This phased transition will ensure tariff rationalization, financial sustainability, and fair cost recovery across all consumer categories.

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

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

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

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

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

ii. other residential consumers (above cost recovery).

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

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

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 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

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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. TESCO also vide letter dated 22.10.2025 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. TESCO 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. TESCO accordingly requested that the Authority to determine the consumer-end tariff for the period from July 1, 2026 to December 31, 2026 in accordance with the revised annual rebasing timeline effective January 1, 2026, to ensure smooth and timely transition to the revised rebasing schedule.

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	Interim Indexation (Jul. to Dec. 2026)
Salaries, Wages & Other Benefits	985
Post Retirement Benefits	373
Other O & M Costs	288
Depreciation	340
Return on Rate Base	880
Gross Distribution Margin	**2865**
Less: Other Income	-391
Net Distribution Margin	2474

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

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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 TESCO for the period from July 1, 2026 to December 31, 2026 as under:

Description	Unit	July to December 2026 FY 2026-27
Pay & Allowances		765
Post Retirement Benefits		357
Repair & Maintainance		142
Traveling allowance		22
Vehicle maintenance		35
Other expenses		54
O&M Cost	[Mln. Rs.]	1,375
Depriciation		389
RORB		932
O.Income		(368)
Margin	[Mln. Rs.]	2,327

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;

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Description	Unit	Revised Allowed FY 2025-26 SOP	Allowed CY 2026 SOP
Units Received	[MkWh]		1,554
Units Sold	[MkWh]		1,416
Units Lost	[MkWh]		138
Units Lost	[%]		8.89%
Energy Charge			12,735
Capacity Charge			42,013
Transmission Charge/ Market Operator Fee			5,095
Distribution Business Cost			3,807
Power Purchase Price	[Mln. Rs.]		63,650
Pay & Allowances		285	267
Post Retirement Benefits		157	169
Repair & Maintainance		28	41
Traveling allowance		12	13
Vehicle maintenance		25	31
Other expenses		71	75
O&M Cost	[Mln. Rs.]	577	596
Depriciation		10	10
RORB		30	50
O.Income		(184)	(182)
Margin	[Mln. Rs.]	434	475
Prior Year Adjustment (PYA)	[Mln. Rs.]		5,443
Working Capital	[Mln. Rs.]		(151)
Revenue Requirement	[Mln. Rs.]	434	69,416
Average Tariff	[Rs./kWh]		49.03

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	

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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.

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

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.

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

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Distribution of Electric Power Act, 1997, while notifying the uniform tariff application decision of the Authority.

AUTHORITY

Amina Ahmed
Member

Engr. Maqsood Anwar Khan
Member

Waseem Mukhtar
Chairman

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Annex-I

FUEL PRICE ADJUSTMENT MECHANISM

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

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

Where:

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

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

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

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

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Annex-I-A

QUARTERLY ADJUSTMENT MECHANISM

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

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

Where;

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

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

Impact of T&D losses on FCA

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

Where;

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

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

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

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Annex-II

Triable Areas Electricity Supply Company (TESCO)
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	2	0.1%	-	78	78	-	-	46.96	6	3.84	-	-	50.8
	51-100 units - Life Line	3	0.2%	-	137	137	-	-	47.57	11	3.84	-	-	51.4
	01-100 Units	169	12.0%	-	8,070	8,070	-	-	47.62	651	3.84	-	-	51.4
	101-200 Units	54	3.8%	-	2,581	2,581	-	-	47.49	209	3.84	-	-	51.3
Un-Protected	01-100 Units	4	0.3%	-	215	215	-	-	50.20	16	3.84	-	-	54.0
	101-200 Units	122	8.6%	-	6,303	6,303	-	-	51.63	469	3.84	-	-	55.4
	201-300 Units	272	19.2%	-	14,069	14,069	-	-	51.69	1,046	3.84	-	-	55.5
	301-400 Units	173	12.2%	107	8,911	9,018	200	-	51.49	665	3.84	200	-	55.3
	401-500 Units	87	6.1%	80	4,428	4,508	400	-	51.08	333	3.84	400	-	54.9
	501-600 Units	43	3.1%	42	2,203	2,245	600	-	50.87	167	3.84	600	-	54.7
	601-700Units	19	1.4%	21	975	996	800	-	50.76	74	3.84	800	-	54.6
	Above 700 Units	40	2.8%	44	2,001	2,045	1,000	-	50.63	152	3.84	1,000	-	54.4
	For peak load requirement exceeding 5 kW)													
	Time of Use (TOU) - Peak	0	0.0%	1	5	5	1,000	-	51.34	0	3.84	1,000	-	55.1
	Time of Use (TOU) - Off-Peak	0	0.0%	-	22	22	1,000	-	48.82	2	3.84	1,000	-	52.6
	Temporary Supply	-	0.0%	-	-	-	2,000	-	58.75	-	3.84	2,000	-	62.5
	Total Residential	989	69.9%	294	49,999	50,292				3,603				
	Commercial - A2													
	For peak load requirement less than 5 kW	6	0.4%	46	235	281	1,000	-	40.58	22	3.84	1,000	-	44.4
	For peak load requirement exceeding 5 kW						-	-						
	Regular	-	0.0%	-	-	-	-	1,250	38.47	-	3.84	-	1,250	42.3
	Time of Use (TOU) - Peak	1	0.1%	-	50	50	-	-	49.27	4	3.84	-	-	53.1
	Time of Use (TOU) - Off-Peak	4	0.3%	30	152	181	-	1,250	41.37	14	3.84	-	1,250	45.2
	Temporary Supply	-	0.0%	-	-	-	5,000	-	57.05	-	3.84	5,000	-	60.9
	Electric Vehicle Charging Station	-	0.0%	-	-	-	-	-	52.49	-	3.84	-	-	56.3
	Total Commercial	10	0.7%	76	436	513				40				
	General Services-A3	13	0.9%	26	603	628	1,000	-	46.51	50	3.84	1,000	-	50.3
	Industrial													
	B1	0	0.0%	0	0	0	1,000	-	33.23	0	3.84	1,000	-	37.0
	B1 Peak	0	0.0%	-	5	5	1,000	-	36.43	0	3.84	1,000	-	40.2
	B1 Off Peak	1	0.1%	1.08	27	28	1,000	-	30.99	3	3.84	1,000	-	34.8
	B2	0	0.0%	0	0	0	-	1,250	31.83	0	3.84	-	1,250	35.6
	B2 - TOU (Peak)	11	0.8%	-	404	404	-	-	36.40	43	3.84	-	-	40.2
	B2 - TOU (Off-peak)	99	7.0%	620	2,815	3,435	-	1,250	28.51	380	3.84	-	1,250	32.3
	B3 - TOU (Peak)	11	0.8%	-	390	390	-	-	36.56	41	3.84	-	-	40.4
	B3 - TOU (Off-peak)	224	15.8%	892	4,913	5,805	-	1,250	21.98	860	3.84	-	1,250	25.8
	B4 - TOU (Peak)	-	0.0%	-	-	-	-	-	35.56	-	3.84	-	-	39.4
	B4 - TOU (Off-peak)	-	0.0%	-	-	-	-	1,250	25.70	-	3.84	-	1,250	29.5
	Temporary Supply	-	0.0%	-	-	-	5,000	-	41.56	-	3.84	5,000	-	45.4
	Total Industrial	345	24.4%	1,512	8,554	10,066				1,327				
	Single Point Supply													
	C1(a) Supply at 400 Volts-less than 5 kW	-	0.0%	-	-	-	2,000	-	47.74	-	3.84	2,000	-	51.5
	C1(b) Supply at 400 Volts-exceeding 5 kW	0	0.0%	0	1	1	-	1,250	32.00	0	3.84	-	1,250	35.8
	Time of Use (TOU) - Peak	1	0.1%	-	52	52	-	-	45.28	4	3.84	-	-	49.1
	Time of Use (TOU) - Off-Peak	9	0.6%	20	355	375	-	1,250	38.93	35	3.84	-	1,250	42.7
	C2 Supply at 11 kV	-	0.0%	-	-	-	-	1,250	33.06	-	3.84	-	1,250	36.9
	Time of Use (TOU) - Peak	5	0.3%	-	234	234	-	-	48.33	19	3.84	-	-	52.1
	Time of Use (TOU) - Off-Peak	26	1.8%	122	861	983	-	1,250	33.11	100	3.84	-	1,250	36.9
	C3 Supply above 11 kV	-	0.0%	-	-	-	-	1,250	41.72	-	3.84	-	1,250	45.5
	Time of Use (TOU) - Peak	-	0.0%	-	-	-	-	-	51.45	-	3.84	-	-	55.2
	Time of Use (TOU) - Off-Peak	-	0.0%	-	-	-	-	1,250	39.77	-	3.84	-	1,250	43.6
	Total Single Point Supply	41	2.9%	142	1,503	1,646				158				
	Agricultural Tube-wells - Tariff D													
	Scarp	0	0.0%	-	2	2	-	-	39.84	0	3.84	-	-	43.6
	Time of Use (TOU) - Peak	-	0.0%	-	-	-	-	-	36.78	-	3.84	-	-	40.6
	Time of Use (TOU) - Off-Peak	-	0.0%	-	-	-	-	400	34.61	-	3.84	-	400	38.4
	Agricultual Tube-wells	0	0.0%	0	2	2	-	400	47.67	0	3.84	-	400	51.5
	Time of Use (TOU) - Peak	3	0.2%	-	140	140	-	-	51.51	10	3.84	-	-	55.3
	Time of Use (TOU) - Off-Peak	14	1.0%	33	651	684	-	400	46.85	53	3.84	-	400	50.7
	Total Agricultural	17	1.2%	33	795	827				64				
	Public Lighting - Tariff G	0	0.0%	0	0	1	2,000	-	45.39	0	3.84	2,000	-	49.2
	Residential Colonies	-	0.0%	-	-	-	2,000	-	40.73	-	3.84	2,000	-	44.5
		0	0.0%	0	0	1				0				
	Pre-paid Supply Tariff													
	Residential	-	-	-	-	-	1,000	-	58.70	-	3.84	1,000	-	62.5
	Commercial - A2	-	-	-	-	-	-	1,250	48.53	-	3.84	-	1,250	52.3
	General Services - A3	-	-	-	-	-	1,000	-	54.07	-	3.84	1,000	-	57.9
	Industrial	-	-	-	-	-	-	1,250	29.07	-	3.84	-	1,250	32.9
	Single Point Supply	-	-	-	-	-	-	1,250	42.58	-	3.84	-	1,250	46.4
	Agriculture Tube-wells - Tariff D	-	-	-	-	-	-	400	55.31	-	3.84	-	400	59.1
	Grand Total	1,416	100%	2,083	61,890	63,973				5,443				

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

Math. S

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SCHEDULE OF ELECTRICITY TARIFFS FOR TRIBAL AREAS ELECTRICITY SUPPLY COMPANY (TESCO)

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	-		46.96		3.84		50.81	
ii	51 - 100 Units - Life Line	-		47.57		3.84		51.42	
iii	001 - 100 Units	-		47.62		3.84		51.47	
iv	101 - 200 Units	-		47.49		3.84		51.33	
	Un-Protected								
v	001 - 100 Units	-		50.20		3.84		54.05	
vi	101 - 200 Units	-		51.63		3.84		55.47	
iv	201 - 300 Units	-		51.69		3.84		55.54	
viii	301 - 400 Units	200		51.49		3.84		55.34	
ix	401 - 500 Units	400		51.08		3.84		54.92	
x	501 - 600 Units	600		50.87		3.84		54.72	
xi	601 - 700 Units	800		50.76		3.84		54.60	
vi	Above 700 Units	1,000		50.63		3.84		54.47	
b)	For Sanctioned load 5 kW & above			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
	Time Of Use	1,000		51.34	48.82	3.84	3.84	55.19	52.67
c)	Pre-Paid Residential Supply Tariff	1,000			58.70		3.84		62.55

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		40.58		3.84		44.42	
b)	For Sanctioned load 5 kW & above		1,250	38.47		3.84		42.32	
				Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
c)	Time Of Use	-	1,250	49.27	41.37	3.84	3.84	53.11	45.21
d)	Electric Vehicle Charging Station	-	-		52.49		3.84		56.33
e)	Pre-Paid Commercial Supply Tariff		1,250		48.53		3.84		52.38

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	-	46.51		3.84		50.36	
b)	Pre-Paid General Services Supply Tariff	1,000	-		54.07		3.84		57.91

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	-	33.23		3.84		37.08	
B2(a)	exceeding 25-500 kW (at 400 Volts)	-	1,250	31.83		3.84		35.67	
	Time Of Use			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
B1 (b)	Up to 25 KW	1,000		36.43	30.99	3.84	3.84	40.27	34.84
B2(b)	exceeding 25-500 kW (at 400 Volts)	-	1,250	36.40	28.51	3.84	3.84	40.25	32.35
B3	For All Loads up to 5000 kW (at 11,33 kV)	-	1,250	36.56	21.96	3.84	3.84	40.41	25.81
B4	For All Loads (at 66,132 kV & above)	-	1,250	35.56	25.70	3.84	3.84	39.41	29.55
Pre-Paid Industrial Supply Tariff		-	1,250		29.07		3.84		32.92

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		47.74		3.84		51.58	
b)	Sanctioned load 5 kW & up to 500 kW	-	1,250	32.00		3.84		35.85	
C -2(a)	For supply at 11,33 kV up to and including 5000 kW	-	1,250	33.06		3.84		36.91	
C -3(a)	For supply at 66 kV & above and sanctioned load above 5000 kW	-	1,250	41.72		3.84		45.56	
	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	45.28	38.93	3.84	3.84	49.12	42.77
C -2(b)	For supply at 11,33 kV up to and including 5000 kW	-	1,250	48.33	33.11	3.84	3.84	52.18	36.95
C -3(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	-	1,250	51.45	39.77	3.84	3.84	55.29	43.61
Pre-Paid Bulk Supply Tariff			1,250		42.58		3.84		46.43

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 TRIABLE AREAS ELECTRICITY SUPPLY COMPANY (TESCO)

D - AGRICULTURE TARIFF

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	
D-1(a)	SCARP less than 5 kW	-	-	39.84		3.84		43.68	
D-2 (a)	Agricultural Tube Wells	-	400	47.67		3.84		51.51	
				Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
D-1(b)	SCARP 5 kW & above	-	400	36.78	34.61	3.84	3.84	40.63	38.45
D-2 (b)	Agricultural 5 kW & above	-	400	51.51	46.85	3.84	3.84	55.35	50.70
Pre-Paid for Agri & Scarp		-	400		55.31		3.84		59.15

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	FYA 2025 Rs/kWh	Total Variable Charges Rs/kWh
		A	B	C	D	E=C+D
E-1(i)	Residential Supply	2,000		58.75	3.84	62.59
E-1(ii)	Commercial Supply	5,000		57.05	3.84	60.90
E-2	Industrial Supply	5,000		41.56	3.84	45.40

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	FYA 2025 Rs/kWh	Total Variable Charges Rs/kWh
		A	B	C	D	E=C+D
	Street Lighting	2,000		45.39	3.84	49.24

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	FYA 2025 Rs/kWh	Total Variable Charges Rs/kWh
		A	B	C	D	E=C+D
	Residential Colonies attached to industrial premises	2,000.00		40.73	3.84	44.57

Note: The FYA 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)	152	131	148	121	123	118	119	119	117	123	136	148	1,554

Fuel Cost Component	10.3954	6.7337	7.9952	8.2498	8.4315	7.7138	7.0929	7.0998	7.4596	7.8696	6.2441	8.0165	7.8182
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	0.3774
Capacity	28.0319	35.5233	29.3566	28.1031	22.9042	24.4224	21.2591	22.5105	24.2516	26.2123	30.5351	28.8245	27.0381
UoSC	3.0571	3.5456	3.2822	3.5812	3.2488	3.5911	3.0123	3.0961	3.3630	3.2890	3.1834	3.1705	3.2786
Total PPP in Rs. / kWh	41.8755	46.0993	40.9866	40.3060	35.0621	36.1663	31.7673	33.0945	35.4658	37.7958	40.2645	40.3326	38.5123

Fuel Cost Component	1,582	879	1,180	995	1,036	907	841	848	875	969	848	1,189	12,148
Variable O&M	60	39	52	45	59	52	48	46	46	52	41	48	586
Capacity	4,266	4,639	4,331	3,390	2,814	2,870	2,522	2,687	2,843	3,229	4,147	4,276	42,013
UoSC	465	463	484	432	399	422	357	370	394	405	432	470	5,095
Total PPP in Rs. Mln	6,373	6,019	6,047	4,862	4,307	4,250	3,768	3,951	4,158	4,656	5,469	5,982	59,842

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 TESCO 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 7^{th} 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-l(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" <u>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</u>. 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

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.

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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 (Working of PYA

Description FY 2023-24 - Purch & Sales	Units	TESCO
July		
Purchases		117
T&D Losses		9.01%
Sales after Losses		106
Sales net of Incremental units		101
ISP Sales		5.27
FCA - Rs./kWh		1.48
FCA Impact - Rs. Mln		0.1
Life Line		0.2
Prep-EVCs		-
Protec.-upto 300 + Agri		52.7
Units		0.2
August		
Purchases		123
T&D Losses		9.01%
Sales after Losses		112
Sales net of Incremental units		104
ISP Sales		8.04
FCA - Rs./kWh		1.73
FCA Impact - Rs. Mln		0.4
Life Line		0.2
Prep-EVCs		
Protec.-upto 300 + Agri		61.8
Units		0.2
September		
Purchases		119
T&D Losses		9.01%
Sales after Losses		108
Sales net of Incremental units		96
ISP Sales		12.12
FCA - Rs./kWh		0.42
FCA Impact - Rs. Mln		0.1
Life Line		0.2
Prep-EVCs		-
Protec.-upto 300 + Agri		57.1
Units		0.2
October		
Purchases		114
T&D Losses		9.01%
Sales after Losses		103
Sales net of Incremental units		93
ISP Sales		10.87
FCA - Rs./kWh		3.15
FCA Impact - Rs. Mln		1.0
Life Line		0.3
Prep-EVCs		-
Protec.-upto 300 + Agri		57.2
Units		0.3
November		
Purchases		118
T&D Losses		9.01%
Sales after Losses		107
Sales net of Incremental units		107
ISP Sales		-
FCA - Rs./kWh		4.20
FCA Impact - Rs. Mln		1.5
Life Line		0.4
Prep-EVCs		-
Protec.-upto 300 + Agri		57.5
Units		0.4
December		
Purchases		122
T&D Losses		9.01%
Sales after Losses		111
Sales net of Incremental units		111
ISP Sales		-
FCA - Rs./kWh		4.62
FCA Impact - Rs. Mln		1.9
Life Line		0.4
Prep-EVCs		-
Protec.-upto 300 + Agri		55.6
Units		0.4
January		
Purchases		139
T&D Losses		9.01%
Sales after Losses		126
Sales net of Incremental units		126
ISP Sales		-
FCA - Rs./kWh		7.11
FCA Impact - Rs. Mln		2.6
Life Line		0.4
Prep-EVCs		-
Protec.-upto 300 + Agri		56.3
Units		0.6
February		
Purchases		132
T&D Losses		9.01%
Sales after Losses		120
Sales net of Incremental units		120
ISP Sales		-
FCA - Rs./kWh		4.96
FCA Impact - Rs. Mln		2.4
Life Line		0.5
Prep-EVCs		-
Protec.-upto 300 + Agri		51.9
Units		0.5

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Annex-VI (Working of PYA

Description	Units	ATESCO
March		
Purchases		121
T&D Losses		9.03%
Sales after Losses		111
Sales net of Incremental units		111
ISP Sales		-
FCA - Rs./kWh		2.91
FCA Impact - Rs. Mln		1.4
Life Line		0.5
Prep-LVCs		-
Protec.-upto 300 - Agr.		52.7
Units		0.5
April		
Purchases		100
T&D Losses		9.01%
Sales after Losses		91
Sales net of Incremental units		91
ISP Sales		-
FCA - Rs./kWh		3.47
FCA Impact - Rs. Mln		1.2
Life Line		0.3
Prep-LVCs		-
Protec.-upto 300 - Agri		51.6
Units		0.3
May		
Purchases		100
T&D Losses		9.01%
Sales after Losses		91
Sales net of Incremental units		91
ISP Sales		-
FCA - Rs./kWh		3.41
FCA Impact - Rs. Mln		1.5
Life Line		0.5
Prep-LVCs		-
Protec.-upto 300 - Agri		15.6
Units		0.5
June		
Purchases		103
T&D Losses		9.01%
Sales after Losses		94
Sales net of Incremental units		94
ISP Sales		-
FCA - Rs./kWh		2.61
FCA Impact - Rs. Mln		1.1
Life Line		0.4
Prep-LVCs		-
Protec.-upto 300 - Agri		34.0
Units		0.4
FY 2024-25 - Purch & Sales		
July		
Purchases		114
T&D Losses		8.89%
Sales after Losses		104
Sales net of Incremental units		104
ISP Sales		-
FCA - Rs./kWh		0.31
FCA Impact - Rs. Mln		14.4
Life Line		0.3
Prep-LVCs		-
Protec.-upto 300 - Agri		49.8
Units		50.1
August		
Purchases		112
T&D Losses		8.89%
Sales after Losses		102
Sales net of Incremental units		102
ISP Sales		
FCA - Rs./kWh		0.81
FCA Impact - Rs. Mln		42.4
Life Line		0.3
Prep-LVCs		-
Protec.-upto 300 - Agri		51.7
Units		52.0
September		
Purchases		116
T&D Losses		8.89%
Sales after Losses		106
Sales net of Incremental units		106
ISP Sales		
FCA - Rs./kWh		1.21
FCA Impact - Rs. Mln		61.9
Life Line		0.5
Prep-LVCs		-
Protec.-upto 300 - Agri		50.3
Units		50.8
October		
Purchases		122
T&D Losses		8.89%
Sales after Losses		111
Sales net of Incremental units		111
ISP Sales		
FCA - Rs./kWh		1.03
FCA Impact - Rs. Mln		55.2
Life Line		0.6
Prep-LVCs		-
Protec.-upto 300 - Agri		51.0
Units		51.6
November		
Purchases		134
T&D Losses		8.89%
Sales after Losses		123
Sales net of Incremental units		123
ISP Sales		-
FCA - Rs./kWh		0.46
FCA Impact - Rs. Mln		56.8
Life Line		0.6
Prep-LVCs		-
Protec.-upto 300 - Agri		55.5
Units		56.1

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Annex-VI (Working of PYA

Description	Unit	IESCO

Description	December	January	February	March	April	May	June	July (FY 2025-26)	August	September
Purchases	147	151	129	146	120	122	117	118	118	118
T&D Losses	8.89%	8.89%	8.89%	8.89%	8.89%	8.89%	8.89%	8.89%	8.89%	8.89%
Sales after Losses	134	137	116	133	109	111	106	107	108	108
Sales net of Incremental units	124	129	113	133	109	111	106	107	108	108
ISP Sales	6.07	8.76	4.45	-	-	-	-	-	-	-
FCA - Rs./kWh	1.12	2.02	0.30	0.01	1.23	0.36	0.69	1.72	0.16	0.37
FCA Impact - Rs. Mln	63.1	112.4	16.9	0.0	0.3	0.1	0.2	0.6	0.0	0.1
Life Line	0.4	0.4	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3
Prep-EVCs	-	-	-	-	-	-	-	-	-	-
Protec.-upto 300 + Agri	53.4	55.4	56.0	56.0	52.5	51.2	49.3	50.2	51.1	53.5
Units	53.6	55.8	56.3	55.4	0.3	51.4	49.6	50.6	0.3	53.8

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Annex-VI (Working of PYA

[illegible] Description	Unit	[illegible]
October [illegible]		
Purchases		-
T&D Losses		-
Sales after Losses		-
Sales net of Incremental units		-
BP Sales		-
FCA - Rs./kWh		-
FCA Impact - Rs. Mln		-
Life Line		0.5
Prep-EVCs		-
Protec <100 200 - Agri		54.3
Units		0.3
4th Qtr. FY 2022-23 (Oct. 23 to Mar. 24)		
Allowed Amount		3,826
Qtr. Rs./kWh		1.47
Recovered		2,310
Under/(Over) Recovery		1,516
1st Qtr. FY 2023-24 (Jan. Mar. 24)		
Allowed Amount		1,324
Qtr. Rs./kWh		2.41
Recovered		859
Under/(Over) Recovery		465
2nd Qtr. FY 2023-24 (Apr. Jun. 24)		
Allowed Amount		3,692
Qtr. Rs./kWh		6.4611
Recovered		1,772
Under/(Over) Recovery		1,920
3rd Qtr. FY 2023-24 (Jun. Aug. 24)		
Allowed Amount		- 645
Qtr. Rs./kWh		- 1.12
Recovered		- 334
Under/(Over) Recovery		- 311
4th Qtr. FY 2023-24 (Sep. Nov. 24)		
Allowed Amount		3,206
Qtr. Rs./kWh		9.78
Recovered		3,305
Under/(Over) Recovery		- 99
1st Qtr. FY 2024-25 (Dec. 24)		
Allowed Amount		- 1,152
Qtr. Rs./kWh		- 10.11
Recovered		- 1,287
Under/(Over) Recovery		135
2nd Qtr. FY 2024-25 (Apr. Jun. 25)		
Allowed Amount		- 3,399
Qtr. Rs./kWh		- 10.25
Recovered		- 3,334
Under/(Over) Recovery		- 65
3rd Qtr. FY 2024-25 (May. July. 25)		
Allowed Amount		- 4,326
Qtr. Rs./kWh		- 13.03
Recovered		- 4,216
Under/(Over) Recovery		- 110
[illegible] Impact of Negative FCA [illegible]		
March 2024 to September 2025		
Positive FCA Impact to be allowed		0
Negative FCA Impact retained	Rs. Mln	- 1
Net Impact	Rs. Mln	- 1
FCA Impact - Adjusted at FYA	Rs. Mln	- 1
D.M FY 2023-24		
Allowed Amount	Rs. Mln	2,646
Rate. Rs./kWh	Rs./kWh	1.18
Recovered	Rs. Mln	1,461
Under/(Over) Recovery	Rs. Mln	1,185
D.M FY 2024-25		
Allowed Amount	Rs. Mln	2,442
Rate. Rs./kWh	Rs./kWh	1.79
Recovered	Rs. Mln	2,457
Under/(Over) Recovery	Rs. Mln	- 15
PYA 2023 24		
Allowed Amount	Rs. Mln	- 510
Rate. Rs./kWh	Rs./kWh	- 0.23
Recovered	Rs. Mln	- 282
Under/(Over) Recovery	Rs. Mln	- 228
PYA 2024-25		
Allowed Amount	Rs. Mln	1,973
Rate. Rs./kWh	Rs./kWh	1.46
Recovered	Rs. Mln	1,968
Under/(Over) Recovery	Rs. Mln	- 5
Other Cost related to PYA		
RORB FY 2022-23 True up	Rs. Mln	169
Depreciation FY 2022-23 True up	Rs. Mln	171
Other Income FY 2022-23 True up	Rs. Mln	- 276
Previous PYA difference	Rs. Mln	- 278
Minimum Tax	Rs. Mln	
PM Assistance Package	Rs. Mln	
MLR Adjustments - RORB FY 2020-21	Rs. Mln	
MLR Adjustments - RORB FY 2021-22	Rs. Mln	
Payroll Fraudulent Financial Reporting	Rs. Mln	
Negative FCA - Previous years 2016-2023 + 2024	Rs. Mln	
UOSC 3rd Qtr. Posting error	Rs. Mln	
NEPRA Supplier License fee	Rs. Mln	
Minimum Tax - FY 2025	Rs. Mln	
Post-retirement benefit	Rs. Mln	
Pay & Allowances	Rs. Mln	
Depreciation True up	Rs. Mln	
Total		- 233
Sales Mix Var.		
FY 2022-23	Rs. Mln	787
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]	Rs. Mln	4,938

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Annex-VI

Annex-VI (Working of PYA)

[illegible] Description [illegible]	Units	TESCO
[illegible] MYT True Up [illegible]		TESCO
[illegible] FY 2023-24 [illegible]		
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	520
Actual	Rs. Mln	557
Under/(Over) Recovery	Rs. Mln	37
Depreciation FY 2024-25		
Allowed	Rs. Mln	623
Actual	Rs. Mln	633
Under/(Over) Recovery	Rs. Mln	10
RoRB (Investment + KIBOR) FY 2023-24		
Allowed	Rs. Mln	654
Actual	Rs. Mln	660
Under/(Over) Recovery	Rs. Mln	4
RoRB (Investment + KIBOR) FY 2024-25		
Allowed	Rs. Mln	163
Actual	Rs. Mln	1,427
Under/(Over) Recovery	Rs. Mln	968
Other Income FY 2023-24		
Allowed	Rs. Mln	277
Actual	Rs. Mln	[illegible]
Under/(Over) Recovery	Rs. Mln	415
Other Income FY 2024-25		
Allowed	Rs. Mln	540
Actual	Rs. Mln	[illegible]
Under/(Over) Recovery	Rs. Mln	98
Total MYT True Up [illegible]	Rs. Mln	505
Total PYA FY 2024-25 [illegible]	Rs. Mln	5,443

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