



Registrar

# National Electric Power Regulatory Authority

## Islamic Republic of Pakistan

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No. NEPRA/ TRF-637/HAZEKO/Supply/TRF/2025 381-88

January 07, 2026

**SUBJECT: DETERMINATION OF THE AUTHORITY IN THE MATTER OF PETITION FILED BY HAZARA ELECTRIC SUPPLY COMPANY LIMITED (HAZEKO) FOR DETERMINATION OF SUPPLY TARIFF FOR THE FY 2025-26**

Please find enclosed herewith the subject Determination of the Authority alongwith Annexures (total 56 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 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, 1<sup>st</sup> Floor, A-Block, Abdul Wali Khan Multiplex, Civil Secretariat, Peshawar
4. Managing Director, National Grid Company (NGC) of Pakistan, 414 WAPDA House, Shaharah-e-Quaid-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, Hazara Electric Supply Company (HAZEKO), 426/A, PMA Link Road, Jinnahabad Abbottabad
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-637/HAZECO/Supply/TRF/2025

DETERMINATION OF SUPPLY OF POWER TARIFF PETITION

FOR

HAZARA ELECTRIC SUPPLY COMPANY LIMITED (HAZECO)

FOR THE FY 2025-26 UNDER

NEPRA TARIFF (STANDARDS AND PROCEDURE) RULES - 1998

Islamabad

JANUARY 07, 2026

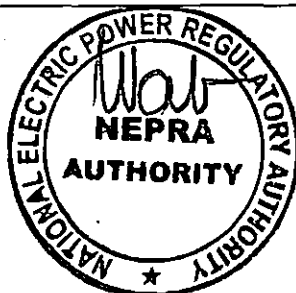


*Math, 9*



**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  |

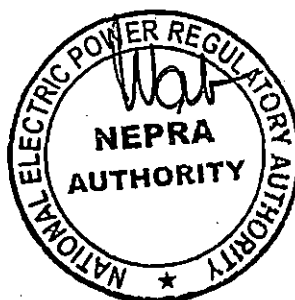


9/11/2024



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

*9/11/2025*





**DETERMINATION OF THE AUTHORITY IN THE MATTER OF PETITION FILED BY  
HAZECO ELECTRIC SUPPLY COMPANY LIMITED (HAZECO) FOR DETERMINATION  
OF SUPPLY OF POWER TARIFF FOR THE FY 2025-26**

PETITION NO: NEPRA/TRF-637/HAZECO/Supply/TRF/2025

**PETITIONER**

Hazara Electric Supply Company Limited (HAZECO), WAPDA Computer Center, Abbotabad.

**INTERVENER**

Nil

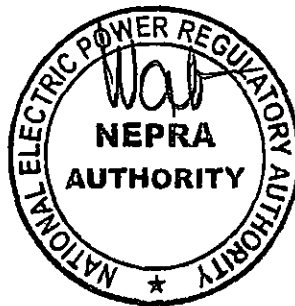
**COMMENTATOR**

Nil

**REPRESENTATION**

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

*F. Mahmood*





## 1. Background

- 1.1. The Authority issued Distribution and Supplier of Last Resort (SoLR) Licenses to Hazara Electric Supply Company (HAZECO) vide decisions dated 23.05.2025. The Petitioner, was thus required to file its tariff Petitions for both the Distribution and Supply functions, in line with the NEPRA Guidelines for determination of Consumer End tariff (Methodology and Process) 2015, along-with its distribution investments plan and assessment of T&D losses. The Authority accordingly vide letter dated 23.05.2025, directed HAZECO to immediately file the Multi-Year Petitions for determination of tariff for the Distribution and Supply businesses and to also file interim tariff petitions for its Distribution and Supply business for the FY 2025-26, as the Tariff for the FY 2025-26 is required to be implemented w.e.f. 01.07.2025.
- 1.2. Pursuant thereto, the Petitioner filed its tariff petitions along-with application for grant of interim tariff for the FY 2025-26, vide letter dated 04.06.2025. The Authority admitted the tariff petitions filed by HAZECO and also while acceding to the request of the Petitioner, allowed an interim tariff for the FY 2025-26 vide decision dated 23.06.2025, after following the due process of law.
- 1.3. The Petitioner, inter alia, requested the following costs for its Supply of power function for the FY 2025-26;

| Description                  | Units   | FY 2025-26 |
|------------------------------|---------|------------|
| Power Purchases              | GWh     | 2,722      |
| T&D Losses                   | %       | 15.39%     |
| Units Lost                   | GWh     | 419        |
| Unit to be sold              | GWh     | 2,303      |
| <b>Power Purchases price</b> |         |            |
| Power Purchases price        | Rs. Mln | 79,104     |
| Wire Business Cost           | Rs. Mln | 7,846      |
| <b>Margin</b>                |         |            |
| Salaries and benefits        | Rs. Mln | 2,350      |
| Repair and Maintenance       | Rs. Mln | 10         |
| Travelling expenses          |         | 21         |
| Vehicle expenses             |         | 37         |
| Other expense                |         | 412        |
| Total O&M Costs              | Rs. Mln | 2,831      |
| Depreciation                 | Rs. Mln | 83         |
| Return on Rate Base          | Rs. Mln | 605        |
| Taxation                     | Rs. Mln | 1,129      |
| Gross Margin                 | Rs. Mln | 4,648      |
| Less: Other Income           | Rs. Mln | -172       |
| Net Margin                   | Rs. Mln | 4,476      |
| Total Revenue Requirement    | Rs. Mln | 91,426     |
| Requested Tariff             | Rs./kWh | 39.70      |

## 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 has to be made part of the consumer end tariff, therefore, the Authority, in order to provide an opportunity of hearing to all the concerned parties and to meet the ends of natural justice, decided to conduct a hearing in the matter.
- 2.2. Hearing in the matter was scheduled on November 06, 2025, for which notice of admission / hearing along-with the title and brief description of the petition was published in the



*J. Malik*

newspapers on 25.10.2025, 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 to be considered 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 O&M cost for FY 2025-26, is justified and what are the basis for such projections?
- iii. Whether the requested new hiring is justified and what are basis for new hiring?
- iv. Whether the requested amount for FY 2025-26 under heads of Other Income, Deprecations, Tax and RORB based on WACC of 17.05% is justified?
- v. Whether there should be any fixed charges on Units exported by net metering users to the extent of Transmission and Distribution charges or otherwise?
- vi. Whether the recovery target and provision for bad debt as provided in petition is justified?
- vii. 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?
- viii. Whether the Schedule of tariff be designed on cost-of-service basis or otherwise?
- ix. Whether the Tariff terms & conditions as applicable in other DISCOs shall be applied in service territory of HAZECO or otherwise?
- x. 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 desired from the interested person/ party within 7 days of the publication of notice of 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, issue-wise findings are given as under;

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

5.1. The Petitioner, during the hearing submitted following historical trend of its purchases/sales;

| Year                | Units Purchased<br>(MkWh) | Units Sold<br>(MkWh) |
|---------------------|---------------------------|----------------------|
| 2023-24             | 2,517                     | 2,121                |
| 2024-25             | 2,646                     | 2,233                |
| 2024-25 (July-Sept) | 788                       | 643                  |
| 2025-26 (Jul -Sept) | 836                       | 708                  |

- 5.2. The Petitioner submitted that based on the forecast analysis as well as the historic trend, units projected sale for FY 2025-26 is 2,303 MkWh for 805,584 consumers & a growth of about 2 to 3 % is considered owing to increase in the demand. The Petitioner based on previous generation trend, projected the following PPP for the FY 2025-26;

| Description                | UoM       | FY 2024-25 | FY 2025-26 |
|----------------------------|-----------|------------|------------|
| Energy Charges             | (Rs. Mln) | 28,018     | 28,584     |
| Capacity Charges           | (Rs. Mln) | 44,419     | 45,277     |
| Use of System Charges      | (Rs. Mln) | 5,091      | 5,224      |
| Market Operator Fee        | (Rs. Mln) | 17         | 17         |
| Power Purchase Price (PPP) | (Rs./Kwh) | 29.31      | 29.06      |

- 5.3. The Petitioner further stated that actual PPP is regulated by NEPRA over the period, thus any subsequent increase / decrease in the PPP determined by NEPRA may be adjusted on monthly/quarterly/biannual basis.
- 5.4. The Authority noted that PPP is the major component of consumer-end tariff, which accounts for around 90% of total consumer-end tariff. The Authority has determined the power purchases (GWhs) along-with its cost for each of the DISCOs through a separate decision, therefore, for the purpose of instant decision, the power purchases (GWhs) of the Petitioner as per the separate PPP decision, have been taken into account.

6. Whether the requested O&M cost is justified and what are the basis for such projections?

7. Whether the requested new hiring is justified and what are basis for new hiring?

7.1. The Petitioner submitted that its Margin consists of the following factors:

- Operation & Maintenance Expenses:
  - ✓ Operational Expenses:
    - Salary Wages & Other Benefits
    - Travelling Expenses
    - Vehicle Expenses
    - Other Expenses
  - ✓ Repair & Maintenance Expenses
  - ✓ Other Income





- ✓ Depreciation Expense
- ✓ Return on Rate Base
- ✓ Provision for bad debts

7.2. The sum of the O&M Cost, Depreciation, Provision for Bad Debts and RORB minus Other Income results in HAZECO's Distribution Margin, dividing this by the total units sold yields the average Distribution Margin per kWh.

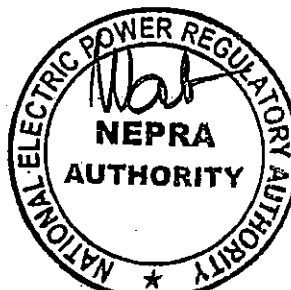
**Salaries and wages:**

- 7.3. Actual salaries and wages of GSO Circle, PD GSC and PD C&O have been allocated to Supply Function (EPS), since these circles / directorates are responsible for construction, rehabilitation, augmentation, maintenance and similar activities involved in Distribution Function for providing electricity to the end consumers.
- 7.4. The XEN offices comprise of technical as well as administrative staff, the salaries of technical and administrative staff such as XEN, SDO, line man, assistant line man, line superintendents etc. have been allocated to Distribution Function on actual basis except for meter readers, bill distributors and meter reading supervisors, and the same has been allocated to Supply of Electricity as their job description relates to billing and recovery.
- 7.5. Power Supply (Sale of Electric Power) comprises of actual expenditures of revenue offices and salaries and wages of meter reader, bill distributor and meter reading supervisors, since their primary role is administrative in nature comprising of billing to consumers, addition of new connections and recovery from consumers. Provision for doubtful debts is allocated to the Supply Business (Sale of Electric Power) along with partial allocation of depreciation for the furniture and fixtures, computer equipment, vehicles etc.
- 7.6. Moreover, the expenditure of HQ, and other offices has been allocated on the most suitable basis to Distribution Function or Supply of Power. Based on the above assumptions HAZECO O&M expenditure for FY 2025-26 is bifurcated as under:

**O&M Expenses**

- 7.7. O&M expenses include Salaries & Wages, Repair & Maintenance, Travelling, Vehicle Running and Other Expenses. Based on the impact of increase in inflation, salaries and other allowances, the Audited O&M Expense for FY 2022-23 and FY 2023-24 are Rs. 5,225 million and Rs. 6,309 million respectively and the projections for FY 2024-25 & 2025-26 are as per detail below:

| Description            | FY 2024-25  |              |               | Mln. Rs.     |
|------------------------|---|--------------|---------------|--------------|
|                        | NEPRA<br>determination<br>for PESCO<br>(Inc HAZECO) | Prov. Total  | Variance      | FY 2023-24   |
|                        |   |              |               | Audited      |
| Salaries and Benefits  | 30,780  | 6,122        | 24,658        | 5,770        |
| Repair and Maintenance | 1,493   | 218          | 1,275         | 198          |
| Travelling Expenses    | 444   | 56           | 388           | 51           |
| Vehicles Expenses      | 320   | 112          | 208           | 75           |
| Other Expenses         | 1,650   | 436          | 1,214         | 215          |
| <b>Total</b>           | <b>34,687</b>                                       | <b>6,944</b> | <b>27,743</b> | <b>6,309</b> |



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7.8. The breakup of O&M cost for FY 2025-26 for Supply of Power is as under:

Mln. Rs.

| Supply of Power Business |              |              |              |
|--------------------------|--------------|--------------|--------------|
| Description              | 2023-24      | 2024-25      | 2025-26      |
|                          | Audited      | Prov.        | Proj.        |
| Salaries and Benefits    | 1,956        | 2,076        | 2,350        |
| Repair and               | 9            | 9            | 10           |
| Travelling Expenses      | 15           | 16           | 21           |
| Vehicle Expenses         | 18           | 26           | 37           |
| Other Expenses           | 184          | 374          | 412          |
| <b>Grand Total</b>       | <b>2,181</b> | <b>2,502</b> | <b>2,831</b> |
| % Increase/(Decrease)    |              | 15%          | 13%          |

7.9. Salaries & Wages including employee's retirement benefits is the major component of O&M expense. The following additional increases are also made by GoP in its annual budget for FY 2024-25 along with various other impacts.

**Increase in Pay & Allowances announced for FY 2025-26:**

- i. Expected increase in salaries (15%).
  - ii. Impact of Additional recruitment.
  - iii. The cost of new hiring has been claimed as an additional requirement for the newly established HAZECO. In the absence of adequate staff hiring, the Petitioner will not be able to operationalize its functions effectively.
  - iv. Employees Retirement Benefits have been based on the average of annual increase in the last two years audited figures.
- ✓ Keeping in view the above increases, the Salaries and Wages are based on the Bifurcated Audited Financial Statement of HAZECO for FY 2023-24 and Provisional figure for FY 2024-25 and projected for FY 2025-26 are as under:

Mln. Rs.

| Description           | FY 2024-25                                 |             |          | FY 2023-24 |
|-----------------------|--|-------------|----------|------------|
|                       | NEPRA determination for PESCO (Inc HAZECO) | Prov. Total | Variance | Audited    |
| Salaries and Benefits | 30,780                                     | 6,122       | 24,658   | 5,770      |

**New Recruitment:**

| Description                  | FY 2026 |
|------------------------------|---------|
|                              | Prov.   |
| New Hiring (Nos)             |         |
| Cost (Mln. Rs.) <sup>a</sup> | 419     |

- ✓ The requirement for a Single Year Tariff (SYT) has been presented in the proposal based on a rational and data-driven approach. The consumer base growth has been assessed by comparing the number of consumers in January 2024 and January 2025, and the increase has been duly quantified. In addition, the projected retirements during FY 2025-26 have been factored in, and based on this analysis, the need for new hiring of qualified

professionals and essential staff has been determined to ensure operational readiness and regulatory compliance.

- ✓ It is important to highlight that the projected human resource requirements presented herein are based on reasonable assumptions and operational forecasts, which may be revised as per ground realities during the course of implementation. Accordingly, the number and categories of staff may change depending on actual functional needs and regulatory considerations. Furthermore, the recruitment process at HAZECO will be carried out in accordance with the approved organogram and will also consider the manpower being transferred from PESCO under the bifurcation scheme. All recruitments will be undertaken in line with government policy guidelines and approvals from the competent forums.
- ✓ However, the then PEPCO has devolved all the matters regarding HR affairs of DISCOs being processed by the then PEPCO to DISCOs vide letter No. GMHR#5778-5810, dated 14.01.2021 conveying that respective BoDs should exercise the powers of the MD PEPCO which will bring an opportunity for the Company to proceed for HR requirements through its BoD against critical requirements as and when considered necessary or unavoidable.
- ✓ HAZECO is currently working on strength of 1,731 employees approximately out of which 58 are officers of different grades. The shortage of the staff is the main cause of losses and system constraints being faced by HAZECO at present.
- ✓ The O&M expenses are one of the major unknowns for XWDISCOs in Pakistan due to many uncontrollable factors such as statutory implications arising out of increase in salaries (as announced by the Federal Government), increase in certain expenses due to growth in consumer base, this includes increase in maintenance expenses, meter reading expenses, whereas other expenses are directly linked to the rate of petroleum. The employees' cost includes costs related to salaries and benefits of all staff (administrative, operational and security). To ensure an efficient, coordinated, economical distribution system and to build, maintain and operate the system more systematically, it will be employing a highly skilled and technically proficient team to manage all aspects of the distribution of power to ensure that all key commercial interests of all stakeholders are maintained, protected and prioritized.
- ✓ The O&M cost needs to be bifurcated into controllable and uncontrollable cost components and the 'Uncontrollable costs' are requested to be trued-up at the end of every year and the 'Controllable costs' should be indexed every year with CPI change less agreed efficiency factor, adjustable in last two years, to pass on the benefit of system efficiency to the consumers.

**Controllable Cost:**

- ✓ The controllable O&M costs are projected by assuming an inflation rate of 10%. The controllable cost during FY 2025-26 will also increase due to new projects (as envisaged in DM) and accordingly this new addition in per unit base cost of controllable component may be allowed in the related year in which project is planned to be completed and indexed subsequently as part of controllable cost component.



### Uncontrollable Cost:

- ✓ With regards to uncontrollable cost different growth rates are projected for different cost streams based on management experience. Uncontrollable cost factors could be affected by growth in employee benefits, consumer growth rates and growth in regulatory fee etc. The uncontrollable cost will also increase due to new projects (as envisaged in DIIP) and accordingly projected cost includes impact of new projects.
- ✓ The detail of controllable and uncontrollable costs is as under;

| Controllable Costs               | Uncontrollable Costs          |
|----------------------------------|-------------------------------|
| Travelling Expenses              | Pay and Allowances – Existing |
| Office Supplies & Store handling | Rent, Rate & Taxes            |
| Vehicle Expenses                 | Injuries & Damages            |
| Power, Light & Water             | Collection Expenses           |
| Communication & Postage          | Legal Charges                 |
| Advertising & Publicity          | Management Fee                |
| Subscription & Periodicals       | Audit Charges                 |
| Misc. Expenses                   |                               |
| Bank Charges                     |                               |
| Insurance Premium                |                               |

### Adjustment mechanism:

- ✓ The following adjustment mechanism is proposed:
  - a. The base year FY 2024-25 does not reflect the true cost and accordingly factor "N" is included to account for the new recruitments.
  - b. Adjustment in Salary & Pension (including pension part of post-retirement benefit) may be linked with the Increase announced by GoP in Annual Budget on actual basis.
  - c. 5% increase on account of Annual Increment may be allowed.
  - d. The remaining allowances / benefits may be adjusted on the basis of CPI for controllable costs and on the basis of actual in case of uncontrollable costs.
  - e. An additional variable "N" may be included to account for the New Hiring (excluding outsourcing of Services like Bill Distributor, Drivers etc.) against vacant positions and the same may be indexed as proposed above.
  - f. The O&M part of Distribution Margin shall be indexed with CPI (component wise).
- ✓ Accordingly, the O&M will be indexed for next year according to the following formula:

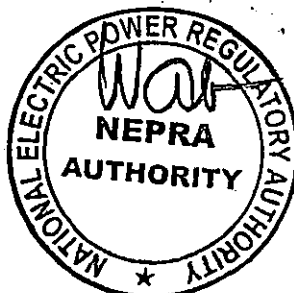
$$O\&M_{Rev} = [O\&M_{Ref} \times (1 + (\Delta CPI - X))] + O\&M_{Actual} + N$$

Where:

O&M (Rev) is Revised O&M Expense for the Current Year

O&M (Ref) is Reference O&M Expense for the Reference Year which is controllable cost

O&M (Actual) is Actual O&M Expense for the Current Year and is uncontrollable cost



\* $\Delta$ CPI is Change in Consumer Price Index published by Pakistan Bureau of Statistics latest available on 1<sup>st</sup> July against the CPI as on 1<sup>st</sup> July of the Reference Year in terms of percentage (excluding pay & allowances and pension)

X is Efficiency factor and may be allowed to the extent that the actual expenses are less than the determined instead of 30%, which is on a very higher side as CPI is not a true reflection of DISCOs expenses

N is New Hiring (excluding outsourcing of Services like Bill Distributor, Drivers etc), including indexation of controllable and un-controllable costs to account for the expenditure that is not in the Base Cost

\* Note: Change in CPI may be used component wise instead of general NCPI, e.g., for vehicle expenses, NCPI under transport category should be used or it should be linked with PSO prices.

#### Repair & Maintenance:

- ✓ Repair and Maintenance expenses have been assumed at around 2% of the net Fixed Assets in operation. HAZECO has to maintain its old and over loaded system in order to ensure un-interrupted power supply to the consumers; moreover cost of material has also increased due to inflationary pressure. Therefore, Repair & Maintenance expenditure has been projected for Distribution (Non-Sale Elements) as Rs.229 million for FY 2025-26.
- ✓ The repair & maintenance cost shall enable the company to ensure smooth and efficient functioning of the transmission and distribution system in operation. Moreover, it shall contribute to the benefit of the consumers at large by reducing power outages, system breakdowns and better service quality in addition to contribution in reduction of the T&D Losses. Foregoing in view, NEPRA is requested to allow full amount of the repair & maintenance projected for FY 2025-26. The repair and maintenance are mainly for standalone items necessary for keeping the system in operation with no additional benefits.
- ✓ The projected Repair & Maintenance for Supply of Power Business for FY 2025-26 is as under:

Mln. RS.

| Distribution and Supply of Power Business |         |         |         |
|---|---------|---------|---------|
| Description                               | 2023-24 | 2024-25 | 2025-26 |
|   | Audited | Prov.   | Proj.   |
| Repair and Minatenance                    | 198     | 218     | 239     |
| % Incres/(Decrease)                       |         | 10%     | 10%     |

| Supply of Power Business |         |         |         |
|--------------------------|---------|---------|---------|
| Description              | 2023-24 | 2024-25 | 2025-26 |
|                          | Audited | Prov.   | Proj.   |
| Repair and Minatenance   | 9       | 9       | 10      |
| % Incres/(Decrease)      |         |         | 11%     |

- ✓ Adjustment in Repair & Maintenance may be linked with the percentage of Fixed Assets (i.e. 2% of the net Fixed Assets) in operation.



Travelling expenses:

- ✓ Travelling Expenses for Supply function have been projected at Rs. 21 million for the FY 2025-26.

Mln. Rs.

| Distribution and Supply of Power Business |         |         |         |
|---|---------|---------|---------|
| Description                               | 2023-24 | 2024-25 | 2025-26 |
|   | Audited | Prov.   | Proj.   |
| Travelling Expense                        | 51      | 57      | 72      |
| % Increase/(Decrease)                     |         |         | 26%     |

| Supply of Power Business |         |         |         |
|--------------------------|---------|---------|---------|
| Description              | 2023-24 | 2024-25 | 2025-26 |
|                          | Audited | Prov.   | Proj.   |
| Travelling Expense       | 15      | 16      | 21      |
| % Increase/(Decrease)    |         |         | 31%     |

- ✓ Adjustment in Travelling Expenses may be linked with the CPI.

Vehicle running expenses:

- ✓ Vehicle Running Expenses for Supply function were Rs. 18 million for the FY 2023-24 and projected for FY 2025-26 at Rs. 37 million.

Mln. Rs.

| Distribution and Supply of Power Business |         |         |         |
|---|---------|---------|---------|
| Description                               | 2023-24 | 2024-25 | 2025-26 |
|   | Audited | Prov.   | Proj.   |
| Vehicle Expense                           | 75      | 112     | 159     |
| % Increase/(Decrease)                     |         |         | 42%     |

Mln. Rs.

| Supply of Power Business |         |         |         |
|--------------------------|---------|---------|---------|
| Description              | 2023-24 | 2024-25 | 2025-26 |
|                          | Audited | Prov.   | Proj.   |
| Vehicle Expense          | 18      | 26      | 37      |
| % Increase/(Decrease)    |         |         | 42%     |

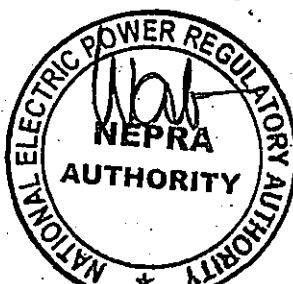
- ✓ Adjustment in Vehicle Running Expenses may be linked with the CPI.

Other Operating expenses:

- ✓ Other Expenses include Rent, Rates and Taxes, Utility expenses, communications, office supplies, professional fees, auditor's remuneration, outsourced services, management fees, electricity bill collection expenses etc. and are projected as under;

Mln. Rs.

| Distribution and Supply of Power Business |         |         |         |
|---|---------|---------|---------|
| Description                               | 2023-24 | 2024-25 | 2025-26 |
|   | Audited | Prov.   | Proj.   |
| Other Expenses                            | 215     | 436     | 480     |
| % Increase/(Decrease)                     |         |         | 10%     |



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| Mln. Rs.                 |         |         |         |
|--------------------------|---------|---------|---------|
| Supply of Power Business |         |         |         |
| Description              | 2023-24 | 2024-25 | 2025-26 |
|                          | Audited | Prov.   | Proj.   |
| Other Expenses           | 184     | 374     | 412     |
| % Increase/(Decrease)    |         |         | 10%     |

**Adjustment mechanism:**

- ✓ Adjustment in Other Operating Expenses may be linked with the CPI.

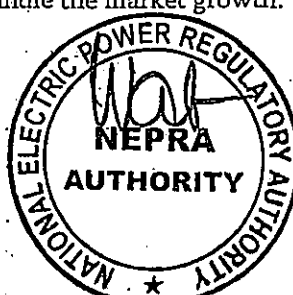
7.10. The Petitioner presented the following head wise detail of the requested amounts and the parameters for the proposed increase;

| Mln. Rs.                   |                |              |
|----------------------------|----------------|--------------|
| Description                | Unit           | FY 2025-26   |
| Salaries and benefits      | Rs. Mln        | 2,350        |
| Repair and maintenance     | Rs. Mln        | 10           |
| Travelling Expenses        | Rs. Mln        | 21           |
| Vehicle Expenses           | Rs. Mln        | 37           |
| Other expense              | Rs. Mln        | 412          |
| <b>Total O&amp;M Costs</b> | <b>Rs. Mln</b> | <b>2,831</b> |

- **Salaries and other benefits:** Increase is proposed based on GoP actual increase.
  - ✓ 10% ARA, 30% DRA and
  - ✓ annual increments.
  - ✓ 10% increase in Pension
  - ✓ Estimated cost of Rs.419 million for hiring against 163 positions of different cadres duly approved by the BOD
- **Repair & Maintenance:** The remaining costs are proposed to be adjusted on the basis of NCPI for controllable costs and on the basis of actual in case of uncontrollable costs.
- **Travelling Expenses:** Increase in line with inflation and as per NCPI and due to increase in number of employees.
- **Vehicle Expense:** Increase due to the POL price and number of increase in vehicle with new company.

7.11. Regarding new hiring the Petitioner submitted that;

- HAZECO is currently working with strength of 1770 employees, out of which 53 are officers of different grades. Total sanctioned strength of the company is 4534 out of which 183 are officers. There are 2764 vacant posts.
- The Company is recently carved out from PESCO and some of the employees have opted to stay with the parent company i.e. PESCO. The new hiring is explicitly justified by a "severe shortage of resources" and the need to mitigate "losses and system constraints and operations would be "unsustainable" without the required recruitment.
- The number of new hiring is projected based on two factors:
  - ✓ To fill the vacant positions required to operate the company business which is also primarily necessary to handle the market growth.



*9 March*

- ✓ Subtracting the projected number of employee retirements.
  - The cost of this new hiring is not included in the regular salary budget, however, it is claimed separately as an adjustment factor 'N' in the O&M formula.
- 7.12. 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;"*
- 7.13. 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 DISCO'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.
- 7.14. 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.
- 7.15. Considering the fact that the Petition has been filed for one year i.e. for the FY 2025-26, 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.
- 7.16. 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 2<sup>nd</sup> 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.

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

8. Salaries, Wages and Other benefits (including post-retirement benefits)

- 8.1. 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.
- 8.2. Considering the fact that the cost for the FY 2025-26 is being assessed, the Authority has taken into consideration the costs based on the bifurcated accounts the Petitioner & PESCO for the FY 2024-25, and information shared by the Petitioner subsequently in this regard.
- 8.3. The actual total cost as provided by the Petitioner for the FY 2024-25, under Salaries & Wages (including post-retirement benefits) is Rs.3,804 million. The said amount has been considered as base cost and increases as approved by the Federal Government on Salaries and Wages in the Federal Budget for the FY 2025-26 i.e. ad-hoc relief allowance of 10% and DR allowance of 30%, along-with impact of annual increment, i.e. 5% have been incorporated thereon.
- 8.4. Accordingly, the cost of Salaries & Wages (including postretirement benefits), for both the Distribution and Supply Functions works out as Rs.4,203 million. The same is hereby allowed to the Petitioner for the FY 2025-26 for both its distribution and Supply functions.
- 8.5. Since the Audited accounts of the Petitioner, do not provide bifurcation of the Salaries, Wages and other benefits costs in terms of Distribution and Supply Functions, therefore, for the purpose of allocation of total cost of Salaries, Wages and other benefits in terms of Distribution and Supply Functions, the criteria as adopted by the Petitioner has been used. Thus, the cost of Salaries, Wages and other benefits (including postretirement benefits) for the FY 2025-26 pertaining to the Supply of power function works out as Rs.1,509 million
- 8.6. 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 and other benefits 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 tariff determination.

9. Additional Recruitment

- 9.1. 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. This addresses the concern of the Petitioner regarding inclusion of an "N" factor.

10. Repair & Maintenance Costs

- 10.1. Regarding Repair and maintenance expenses, the Petitioner has assumed the same at around 2% of the net Fixed Assets in operation. The Petitioner while justifying its submissions stated that it has to maintain its old and over loaded system in order to ensure un-interrupted power supply to the consumers, moreover cost of material has also increased due to inflationary pressure. Accordingly, the Petitioner projected repair & maintenance costs of Rs.239 million for Distribution and Supply of Power Function for the FY 2025-26.
- 10.2. The Petitioner submitted that R&M cost shall enable the company to ensure smooth and efficient functioning of the transmission and distribution system in operation. Moreover, it shall contribute to the benefit of the consumers at large by reducing power outages, system breakdowns and better service quality in addition to contribution in reduction of the T&D Losses. The Petitioner for the adjustment of above costs proposed that this may be linked with the percentage of Fixed Assets (i.e. 2% of the net Fixed Assets) in operation.
- 10.3. The Authority has carefully examined the Petitioner's request of linking the R&M cost as a percentage of Net Fixed Assets (NFAs). The Authority, while going through the actual expenditure incurred by the Petitioner on account of R&M during the FY 2022-23 and FY 2023-24, as per the Audited accounts for these periods showing bifurcation of costs between PESCO and HAZECO, observed that R&M costs works out as 1.03% and 1.38% of the NFAs for the FY 2022-23 & FY 2023-24 respectively. Moreover, the Petitioner has not provided any rationale or working to substantiate its request of setting R&M as 2% of NFAs except that it has to maintain old and over loaded system in order to ensure un-interrupted power supply to the consumers, and that cost of material has also increased due to inflationary pressure.
- 10.4. 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 for huge CAPEX of around Rs.5,365 million 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. Thus, the Petitioner's idea if adopted would result in undue benefit to the Petitioner in the long run. In addition to aforementioned discussion, the Petitioner's request of annual adjustment in this regard is against the very spirit of multiyear tariff regime.

- 10.5. In view of the foregoing and keeping in view the current approved tariff methodology, the Authority has decided to allow an amount of Rs.172 million under R&M head for both the Distribution and Supply functions, for the FY 2025-26 after incorporating the inflationary impact on the R&M cost as per the data/ information provided by the Petitioner for the FY 2024-25 and keeping in view the bifurcated accounts of the Petitioner, for the FY 2024-25, provided by PESCO. The same is hereby allowed to the Petitioner for the FY 2025-26 for both its distribution and Supply Functions.
- 10.6. 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 of Power function works out as Rs.62 million.
- 10.7. 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.

11. Other O&M Expenses

- 11.1. 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.
- 11.2. The Petitioner projected its Other O&M costs including Travelling, Vehicle Maintenance and other expenses as under, for its Supply function for the FY 2025-26;

| Mln. Rs.                   |                |            |
|----------------------------|----------------|------------|
| Description                | Unit           | FY 2025-26 |
| Travelling Expenses        | Rs. Mln        | 21         |
| Vehicle Expenses           | Rs. Mln        | 37         |
| Other expense              | Rs. Mln        | 412        |
| <b>Total O&amp;M Costs</b> | <b>Rs. Mln</b> | <b>470</b> |

- 11.3. 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. Here it is pertinent to mention that the Petitioner itself has requested that other O&M expenses, may be linked with CPI. Accordingly, for assessment of Other O&M costs for the FY 2025-26, the Authority, has decided to allow an amount of Rs.214 million under Other O&M expenses for both the Distribution and Supply functions, for the FY 2025-26 after incorporating the inflationary impact on the Other O&M cost as per the data/ information provided by the Petitioner for the FY 2024-25 and keeping in view the bifurcated accounts of the Petitioner for the FY 2024-25, provided by PESCO. The same is hereby allowed to the Petitioner for the FY 2025-26 for both its distribution and Supply Functions.

- 11.4. By considering the figures as per the financial statements, the Authority has incorporated all the costs including bill collection, building rent, NEPRA fee, insurance cost, rent, rates & taxes, and travelling, transportation etc.
- 11.5. 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.77 million.
- 11.6. In case the Petitioner's actual O&M cost for the FY 2025-26, once its audited accounts for the said year are available, 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.

PPMC Fee

- 11.7. 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.
- 11.8. 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.
- 11.9. 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.
- 11.10. 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.
- 11.11. 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.

- 11.12. 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.

12. Whether the requested amount for FY 2025-26 under heads of Other Income, Deprecations and RORB based on WACC of 17.05% is justified?

Depreciation

- 12.1. The Petitioner has submitted that Depreciation is calculated on the basis of the value of existing Assets plus the additions in assets during the FY 2025-26. The assets are depreciated on straight line method as per utility practice i.e. land at 0 %, buildings and civil works at 2%, Plant and machinery at 3.5%, office equipment and mobile plant at 10% & other assets at 10%. Based upon these assumptions, figure for depreciation for supply function has been worked as Rs.83 million for FY 2025-26.

- 12.2. Based upon these assumptions, the figure for depreciation has been worked as under for the Supply functions;

Mln. Rs.

| Distribution and Supply of Power Business |         |         |         |
|---|---------|---------|---------|
| Description                               | 2023-24 | 2024-25 | 2025-26 |
|   | Audited | Prov.   | Proj.   |
| Depreciation                              | 764     | 799     | 831     |
| % Increase/(Decrease)                     |         |         | 4%      |

Mln. Rs.

| Supply of Power Business |         |         |         |
|--------------------------|---------|---------|---------|
| Description              | 2023-24 | 2024-25 | 2025-26 |
|                          | Audited | Prov.   | Proj.   |
| Depreciation             | 76      | 80      | 83      |
| % Increase/(Decrease)    |         |         | 4%      |

- 12.3. The Petitioner has proposed that adjustment in Depreciation Expenses may be linked with the Gross Fixed Assets in operation.
- 12.4. The Authority noted that as per the Methodology, depreciation expense for the FY 2025-26, will be determined by applying depreciation charge on the Gross Fixed Assets in Operation, including new investment.
- 12.5. 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 | HAZECO |
|-------------------|--------|
| FY 2025-26        | 5,364  |
| FY 2026-27        | 5,364  |

12.6. 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.

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

| Provisional T&D Loss | HAZECO |
|----------------------|--------|
| FY 2025-26           | 15.39% |
| FY 2026-27           | 15.39% |

12.8. 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.

| Revised T&D Loss Target<br>(Failure to submit study) | HAZECO |
|--|--------|
| FY 2025-26   | 7.70%  |
| FY 2026-27   | 7.70%  |

12.9. 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, as the case may be.

12.10. Not used

12.11. Not used

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- 12.12. In order to make fair assessment of the depreciation expense, the Authority accounts for the investments approved for the year. After taking into account the new investments as mentioned above, the Gross Fixed Assets in Operation for the FY 2025-26 have been worked out. Accordingly, the depreciation charge for the FY 2025-26 has been assessed as Rs.871 million calculated on actual depreciation rates for each category of Assets as per the Company policy.
- 12.13. The actual depreciation reflected in the audited accounts of the Petitioner, 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 of Power function works out as Rs.87 million.

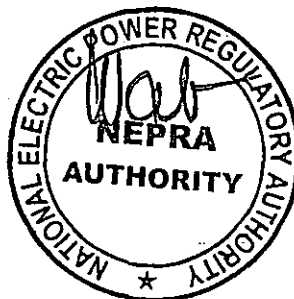
**RoRB**

- 12.14. The Petitioner has submitted that NEPRA allowed WACC of 20.4% to PESCO for the FY 2024-25 in its tariff determination for FY 2024-25, against the requested WACC of 21.27%, hence, the same needs to be reconsidered in view of the MYT determination, wherein adjustments on account of variation in KIBOR is permissible on biannual basis. HAZECO has calculated WACC of 17.05% based on the following calculations:

\*Weighted Average Cost of Debt for FY 2024-25 include 3 month's Kibor plus 2% spread. By incorporating the above adjustment of ERC, the calculation of WACC and RORB will be as under:  $WACC = [14.47\% * 30\%] + [18.16\% * 70\%] = 17.05\%$

- 12.15. HAZECO stated that it has no other source of revenue except Tariff to pay off the principal, interest and exchange risk payable to EAD except for consumer end Tariff and if not allowed, it will in any way effect the consumers as the same will be passed in the form of deficit financing resulting in financial hardship to the consumers.
- 12.16. HAZECO is of the opinion that return should be adequate enough to not only cover the cost of debt but also to cater for the exchange rate parity as well as reasonable return to the equity holders. The Authority is therefore requested to allow RORB at 17.05% WACC, including debt as per following calculations;

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| Description                                 | UoM      | 2023-24 | 2024-25 | 2025-26 |
|---|----------|---------|---------|---------|
|   |          | Audited | Prov.   | Proj.   |
| Net Fixed Assets in Operation               | [Mln Rs] | 14,381  | 16,455  | 18,785  |
| Add: Capital Work In Progress - Closing Bal | [Mln Rs] | 5,498   | 6,366   | 8,568   |
| Less: Cap. WIP-Deposit Portion              | [Mln Rs] | 1,100   | 1,202   | 1,304   |
| Investment in Fixed Assets                  | [Mln Rs] | 18,780  | 21,620  | 26,049  |
| Less: Deferred Credits                      | [Mln Rs] | 5,564   | 5,863   | 6,287   |
| Regulatory Assets Base                      | [Mln Rs] | 13,216  | 15,757  | 19,763  |
| Average Regulatory Assets Base              | [Mln Rs] | 12,379  | 14,486  | 17,760  |
| Rate of Return                              | [%age]   | 21.27%  | 17.05%  | 17.05%  |
| Return on Rate Base                         | [Mln Rs] | 2,633   | 2,470   | 3,028   |

- 12.17. In view thereof, HAZECO has requested the following RoRB for its Supply of Power function for the FY 2025-26;

| Mln. Rs.                 |         |         |         |
|--------------------------|---------|---------|---------|
| Supply of Power Business |         |         |         |
| Description              | 2023-24 | 2024-25 | 2025-26 |
|                          | Audited | Prov.   | Proj.   |
| RoRB                     | 526     | 494     | 605     |
| % Increase/(Decrease)    |         |         | 22%     |

- 12.18. 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;*

- 12.19. 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.

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

Cost of Equity:

$$K_e = R_f + (R_M - R_f) \times \beta$$

Where;

$R_f$  is the risk free Rate

$R_M$  is the Market Return

$\beta$  is Beta

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The cost of debt:

$$K_d = \text{KIBOR} + \text{Spread}$$

- 12.21. Accordingly, the WACC as per the given formula works out as under;

$$\text{WACC} = ((K_e \times (E / V)) + (K_d \times (D / V)))$$

Where E/V and D/V are equity and debt ratios respectively taken as 30% and 70%;

- 12.22. 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.

- 12.23. 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.

- 12.24. For risk free rate, the yield of 05 years 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.

- 12.25. By taking into account the aforementioned factors, the RoE of the Petitioner works out differently, however, keeping the request of the Petitioner and the Authority's earlier decisions in the matter of other XWDISCOs and K-Electric, the Authority has decided to allow RoE component of 14.47%, PKR based.

- 12.26. As regard 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).

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

Cost of Equity;

$$K_e = 14.47\%$$

The cost of debt is;

$$K_d = 12.64\%$$

$$\text{WACC} = ((K_e \times (E / V)) + (K_d \times (D / V)))$$

Where E/V and D/V are equity and debt ratios respectively taken as 30% and 70%;

$$\text{WACC} = ((14.47\% \times 30\%) + (12.64\% \times 70\%)) = 13.19\%$$

- 12.28. 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;

| HAZECO                 |            |
|------------------------|------------|
| Description            | FY 2025-26 |
| Fixed Assets O/B       | 24,063     |
| Addition               | 2,419      |
| Fixed Assets C/B       | 26,483     |
| Depreciation           | 9,834      |
| Net Fixed Assets       | 16,648     |
| Capital WIP C/B        | 8,444      |
| Fixed Assets Inc. WIP  | 25,092     |
| Less: Deferred Credits | 14,091     |
| Total                  | 11,002     |
| RAB                    | 11,002     |
| WACC                   | 13.19%     |
| RORB                   | 1,451      |

- 12.29. 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 ROORB for the FY 2025-26 pertaining to the Supply of Power function works out as Rs.290 million.
- 12.30. The allowed RAB for the year will be trued up downward, keeping in view the amount of investment allowed for the FY 2025-26, 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.
- 12.31. 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.
- 12.32. 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.

#### Other Income

- 12.33. The Petitioner has submitted that main sources of other income include Interest Income, Sale of Scrap, Amortization of Deferred Credit, Rental & Service Income etc., whereas the Wheeling Charges and Late Payment Surcharge have been excluded as per decision of NEPRA.
- 12.34. Accordingly, the Petitioner has projected the following amounts as Other Income for the FY 2025-26 for its Supply of Power function;

Mln. Rs.

| Distribution and Supply of Power Business |         |         |         |
|---|---------|---------|---------|
| Description                               | 2023-24 | 2024-25 | 2025-26 |
|   | Audited | Prov.   | Proj.   |
| Other Income                              | -443    | -494    | -550    |
| % Increase/(Decrease)                     |         |         | 11%     |

Mln. Rs.

| Supply of Power Business |         |         |         |
|--------------------------|---------|---------|---------|
| Description              | 2023-24 | 2024-25 | 2025-26 |
|                          | Audited | Prov.   | Proj.   |
| Other Income             | -139    | -155    | -172    |
| % Increase/(Decrease)    |         |         | 11%     |

- 12.35. 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.
- 12.36. Since the other income would be trued up based on the Audited accounts of the Petitioner, therefore, for the FY 2025-26, the Authority has decided to allow an amount of Rs.627 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.
- 12.37. 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.
- 12.38. The total amount of Other Income as worked out above has been allocated in terms of Distribution and Supply Functions, as per the criteria adopted by the Petitioner itself.

Accordingly, Other Income for the FY 2025-26 pertaining to the Distribution function works out as Rs.196 million.

### Working Capital

- 12.39. 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 Distribution function has been assessed as under;

| Supply working Capital | Credit Period Days | Factor | HAZECO |
|------------------------|--------------------|--------|--------|
|------------------------|--------------------|--------|--------|

#### Current Assets

|   |    |      |              |
|---|----|------|--------------|
| Trade debt (days of Revenue Receivable) | 25 | 0.07 | 5,167        |
| <b>Total Current Assets</b>             |    |      | <b>5,167</b> |

#### Current Liabilities

|                          |    |      |              |
|--------------------------|----|------|--------------|
| EPP From CPPA            | 41 | 0.11 | 2,873        |
| CPP From CPPA            | 34 | 0.09 | 3,836        |
| Transmission             | 30 | 0.08 | 418          |
| Distribution             | 30 | 0.08 | 217          |
| <b>Total Liabilities</b> |    |      | <b>7,343</b> |

|                             |              |
|-----------------------------|--------------|
| Net                         | (2,176)      |
| Cost of debt local          | 12%          |
| <b>Working Capital Cost</b> | <b>(261)</b> |

- 12.40. As mentioned in the table above, The Petitioner's working capital requirement for the Supply function has been assessed as negative Rs.2,176 million and cost working capital requirement works out as negative Rs.261 million, based on 3 months KIBOR i.e. 11%+1% spread as maximum cap, subject to downward adjustment in case the actual spread remains lower. The same is allowed to the Petitioner for the CY 2026, and is subject to adjustment, as per the mechanism provided below, once the audited accounts of the Petitioner for the FY 2025-26 are available.

#### 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.

*J. Math*

- 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.

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

- 13.1. The petitioner during the hearing submitted that as net-metering consumers rely on the Grid; both for backup supply during low or No Solar Generation and for Exporting Surplus Energy, therefore, fixed charges may be imposed. In the absence of Fixed Charges on Exports, these consumers avoid contributing to Grid Maintenance Cost, creating Cross-Subsidization where non-solar users bear higher fixed costs. Increasing penetration of net-metering reduces DISCO revenue, leading to inequity. Technical challenges such as voltage fluctuations and protection issues also require additional investment. Levying fixed charges on these consumers can contribute to fair and equitable cost recovery across the system.

- 13.2. The petitioner recommended the following Possible Solutions:

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

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

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

- 13.4. DISCOs were also directed to jointly develop, through mutual consultation, a uniform Terms of Reference (ToR) to carry out the above studies and submit the same to NEPRA

for approval. DISCOs have prepared and submitted the ToRs, which are currently under review.

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

13.6. The Authority therefore considers it appropriate to review the quantum of fixed charges to be levied on Net Metering Consumers, once the aforementioned studies are completed, and also once the NEPRA (Prosumer) Regulations are notified / changes in the current methodology and rate of units exported are finalized. Therefore, for the purpose of instant determination, the Authority has decided not to make any changes in this regard. However, for consumers, who are currently paying fixed charges at Rs. per consumer per month, the Authority has decided to apply fixed charges at Rs./kW/month. The rate to be applicable on Rs./kW/month has been discussed as a separate issue in the instant determination.

13.7. Here it is also pertinent to highlight that the Authority has also initiated the process of amendments in NEPRA (Alternative & Renewable Energy) Distributed Generation and Net Metering Regulations, whereby, amendments in both the methodology and rate for the units being exported by a Distributed Generator (DG), are being proposed.

13.8. 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 also the amendments proposed in NEPRA (Alternative & Renewable Energy) Distributed Generation and Net Metering Regulations, are finalized. Therefore, for the purpose of instant determination, the Authority has decided not to make any changes in this regard.

14. 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?

15. Whether there should any Fixed Charges on consumer's categories who are currently not paying any fixed charges?

15.1. The Petitioner recommended revising fixed charges for different consumer categories and stated that N.E Plan provides direction to progressively include the Fixed Charges in all categories (Except protected) and recommended that;

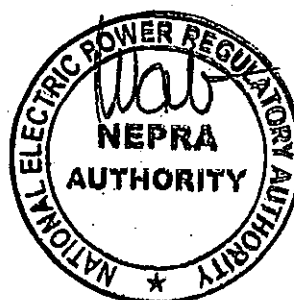
- ✓ Fixed Charges may be based on actual recorded MDI or 25% of the highest recorded in last 12 months, whichever is higher.
- ✓ Imposition of per kW fixed charges for net-metering consumers to ensure fair Grid cost sharing and Distribution line sharing.

15.2. The Authority noted that earlier fixed charges were being levied at around Rs.400-500/kW/month based on higher of 50% of sanctioned load or actual MDI for the month. The rate was subsequently enhanced to Rs.2,000/kW/month vide decisions dated 14.06.2024, however, the Federal Government vide its Motion for uniform tariff dated 03.07.2024, requested to revised the same downward as Rs.1,250/kW/month based on higher of 25% of the sanctioned load or actual MDI for the month. The Authority vide



decision dated 11.07.2024, in the matter of uniform tariff Motion, considering the concerns raised by stakeholders, and prevailing economic challenges decided to restrict fixed charges at Rs.1,250/kW/month.

- 15.3. The prime objective of revision in fixed charges and corresponding reduction in variable charges is to incentivize consumers to increase their electricity consumption from national grid, thus, lowering their overall effective tariff.
- 15.4. Here it is also pertinent to highlight that the Authority has elicited public opinion on the NEPRA (Prosumer) Regulations, whereby, changes in both the methodology and rate for the units being exported are being proposed. These changes, 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.
- 15.5. Similarly, for consumers, who are currently being charged, fixed charges as Rs./Consumer/Month, the Authority has also decided to maintain the existing practice.
16. Whether the schedule of tariff be designed on cost-of-service basis or otherwise?
- 16.1. The Petitioner submitted that, the schedule of tariff should be made reflective of the Cost of Service, as NE Plan emphasizes cost-of-service based tariffs for transparent cost recovery and equitable design. Tariff design based on the Cost of Service (CoS) ensures transparency, financial sustainability and equitable cost allocation among consumers. The current uniform tariff structure creates cross-subsidization where some categories subsidized others distorting cost signal and discouraging efficiency. A CoS-based design aligns tariffs with actual cost causation while promoting efficient consumption.
- 16.2. The Petitioner recommended to;
- ✓ Gradually transition to CoS-based tariff design to avoid consumer shock.
  - ✓ Segment consumers by voltage and usage pattern to reflect actual service costs.
  - ✓ Replace broad cross-subsidies with targeted subsidies funded by the Federal Govt.
  - ✓ To conduct updated CoS studies for all DISCOs to establish credible cost benchmarks
- 16.3. The submissions of all DISCOs regarding the applicability of a cost-of-service (CoS) based tariff structure have been analyzed. Multiple DISCOs like HESCO, GEPCO, QESCO, HAZECO, and PESCO explicitly referred to the NE Plan SD-82, 83 and 84, which call for transitioning toward CoS-based tariffs to promote transparency, financial sustainability, and equitable allocation of costs among consumer categories. DISCOs in general have supported CoS based tariff design, which would enhance transparency, and equitable cost allocation among consumers in terms of actual costs they impose on the system.
- 16.4. The Authority noted that NE Plan provides that tariffs for the residential consumers shall be progressively adjusted to align with the principle of cost-of-service, taking into account the following:



- a. Subsidies to protected categories of residential consumers shall be disbursed directly pursuant to the detailed action plan to be developed under Strategic Directive 067;
  - b. Residential consumers (below cost recovery) shall be cross subsidized by:
    - i. industrial & commercial consumers, pursuant to the Strategic Directive 084;
    - ii. other residential consumers (above cost recovery).
- 16.5. SD 84 states that Cross-subsidy by the productive consumers, to subsidize residential and agricultural consumers, shall be progressively restricted to 20% of the respective cost of service of such consumers by FY-2026.
17. 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).
18. Whether the recovery target and provision for bad debt as provided in petition is justified?
- 18.1. The Petitioner on the issue submitted that HAZECO is pursuing the recovery of arrears from its consumers but due to the worst law and order situation the recovery campaign is affected. Administrative & Political obligations do not allow the Petitioner to take severe action against the defaulters. Moreover, disconnection creates law and order situation in terms of road blockade, blast of transmission towers and attacks on HAZECO staff, Grid Stations and offices. Accordingly, provision for doubtful debts is made on the basis of ageing formula agreed with the Auditors and approved by BoD PESCO in its 75th meeting. Actual provision for FY 2022-23 was Rs.356 million & Rs.545 million for FY 2023-24.
- 18.2. The Petitioner also provided the following recovery plan:
- Recovery Plan
- ✓ Prompt billing
  - ✓ Recording Correct Meter Reading
  - ✓ Delivery of bills in time.
  - ✓ Reconciliation of billing disputes with Govt: agencies.
  - ✓ Timely debit of Audit Notes.
  - ✓ Prompt disconnection of running defaulter consumer
  - ✓ Installation of ABC cables on high loss feeders in order to control theft of energy & to make effective disconnection so that defaulter consumers may be compelled to make payment of arrears.
  - ✓ Out of court settlement of disputed cases.
  - ✓ Recovery through HAZECO Police from defaulters.
  - ✓ Kuli Kachehri on weekly basis are being held on circle level to redress the genuine grievances of the consumers on the spot and to recover the outstanding dues from the defaulters.



- ✓ Combing of feeders is being carried out through HAZECO field formations in their respective areas aiming at removal of direct hooks, replacement of sluggish and defective meters, proper meterization and accurate billing through MMR system so as to eliminate theft of energy, bring the defaulter as well as un-registered consumers in billing network and to recover the legitimate arrears of HAZECO.
- ✓ Posting of Recovery Magistrate for recovery of outstanding arrears.
- ✓ Recovery under Land Revenue Act, by Tehsildar Recovery Officer.

18.3. The Petitioner shared the following detail of provisions:

| Supply of Power Business          |         |         |         |
|-----------------------------------|---------|---------|---------|
| Description                       | 2023-24 | 2024-25 | 2025-26 |
|                                   | Audited | Prov.   | Proj.   |
| Recovery %age                     | 99%     | 93%     | 94%     |
| As sales %age                     | 0.7%    | 0.7%    | 0.6%    |
| Provision of Bad debts (Mln. Rs.) | 545.00  | 556.00  | 567.00  |
| % Increase/ Decrease              |         | 2%      | 2%      |

- 18.4. 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.
- 18.5. 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 including the MoE (PD) 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.
- 18.6. For ready reference the grounds taken by the MoE (PD), 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 inefficiencies on the part of utility company cannot be 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.
- 18.7. The Authority while deciding the MLR of the MoE (PD) 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, may be construed as a policy decision, meaning thereby that similar treatment will be offered to other DISCOs.
- 18.8. 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, HAZECO's tariff is being determined on the basis of 100% recovery target. HAZECO, however, will be allowed to claim write-offs upto 1% of allowed revenue requirement for the FY 2025-26, after fulfilment of the given criteria, to be considered as maximum cap.

Criteria for claiming actual write-offs

- 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 fulfilment 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.
19. Whether the Tariff terms & conditions as applicable in other DISCOs shall be applied in service territory of HAZECO or otherwise?
- 19.1. The Petitioner during the hearing submitted that Tariff terms and conditions as applicable in other DISCOs can be applicable in the service territory of HAZECO up to the extent of the nature of the component of the tariff and context therein.
- 19.2. The Authority noted that considering the uniform tariff regime across the Country, the Tariff terms & conditions are applicable in other DISCOs shall also be applicable in the territory of HAZECO. Accordingly, the applicable tariff Terms & Conditions are attached herewith the instant decision.
20. Whether there will be any claw back mechanism or not?
- 20.1. Although DISCOs made their submissions on this issue, however, the Authority noted that DISCOs were not able to fully comprehend the issue.
- 20.2. The Authority understands that sharing mechanism for any savings by the utility has already been provided under each head separately e.g. O&M costs, T&D losses, cost of debt etc. therefore, no such mechanism is separately required. However, still if there is any additional return by the Petitioner, which could not be comprehended at this stage, the same would be shared between the DISCO and consumers equally.
21. Upfront Indexation/adjustment for the period July 2026 to December 2026
- 21.1. The MoE (PD) 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 31<sup>st</sup>

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 Federal Government in the month of July, each year with effect from 1<sup>st</sup> July.

- 21.2. The MoE (PD) further mentioned that as an unfortunate coincidence, the consumers face high Fuel Charges Adjustments (FCAs) as well as the annual tariff rebasing, simultaneously in the summer months. This increase in tariff coupled with higher consumption leads to significant hike in the consumer electricity bills of summer months which in turn results in unaffordability, public dissatisfaction and nationwide protests in the country. The issue can be streamlined if the timing of annual rebasing is shifted from summer to winter months where the electricity consumption is lower and any tariff increase can be absorbed in consumer bills. This would result in relatively stable and sustainable electricity prices throughout the year. The National Electricity Plan Strategic Directive 8 also stipulates that the Regulator shall also revisit the "Guidelines for Determination of Consumer End Tariff (Methodology and Process), 2015" to enable alignment of schedule of regulatory proceedings for planning activities and rate case & tariff determinations.
- 21.3. The MoE (PD) submitted that the Cabinet has approved that policy guidelines may be issued to NEPRA to revise the annual tariff determination process timelines by amending the relevant legal and regulatory framework in a way that the rebasing is notified with effect from 1<sup>st</sup> January, each year, after completion of all regulatory proceedings. In this regard, it is highlighted that NEPRA has already determined Power Purchase Price (PPP) references up to June 2026. Projections for the remaining six months will be shared subsequently.
- 21.4. In light of above and in exercise of powers under Section 31 of the Act, the Federal Government issued 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 1<sup>st</sup> of each year, after completion of all regulatory proceedings."*
- 21.5. HAZECO also vide letter dated 20.10.2025 submitted that the MoE (PD) 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 1<sup>st</sup> 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.
- 21.6. HAZECO further stated that it has already submitted its Tariff Petitions for FY 2025-26 and the decision of the Authority is awaited. HAZECO accordingly requested the Authority to determine the consumer-end tariff for the period from July 1, 2026 to December 31, 2026 in accordance with the revised annual rebasing timeline effective January 1, 2026, to ensure smooth and timely transition to the revised rebasing schedule.
- 21.7. 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                      | Rs. in Million              |                      |
|----------------------------------|-----------------------------|----------------------|
|                                  | Requested for<br>FY 2025-26 | (Jul to Dec<br>2026) |
| Salaries, Wages & Other Benefits | 3,154                       | 1,587                |
| Post Retirement Benefits         | 3,780                       | 1,919                |
| Other O & M Costs                | 950                         | 480                  |
| Depreciation                     | 831                         | 415.50               |
| Return on Rate Base              | 3,028                       | 1,514                |
| Gross Distribution Margin        | 11,743                      | 5,916                |
| Less: Other Income               | (550)                       | (270)                |
| Net Distribution Margin          | 11,193                      | 5,646                |
| Units to be Sold                 | 2,303                       | 1,239                |
| Per Unit DM                      | 4.86                        | 4.56                 |

- 21.8. The Authority has considered the guidelines issued by the Federal Government regarding tariff rebasing to be made effective from 1<sup>st</sup> January, instead of July each year. The Authority is cognizant of the fact that rebasing of tariff effective July, if upward, coupled with high consumption, leads to increase in overall electricity bills during summer months; thus, adversely impacting DISCOs performance in terms of recoveries and losses. However, even with re-basing in January, the overall billing impact for the consumers in summer months would remain same, had the rebasing been made effective from July. Nonetheless, in light of NE Plan, SD 8 and the instant policy guidelines, the Authority has completed the consultation process for revision in "Guidelines for Determination of Consumer End Tariff (Methodology and Process), 2015", and the same are now in the process of notification.
- 21.9. 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 HAZECO for the period from July 1, 2026 to December 31, 2026 as under:

| Description              |            | Unit | July to<br>December<br>2026<br>FY 2026-27 |
|--------------------------|------------|------|---|
| Pay & Allowances         | [Min. Rs.] |      | 1,205                                     |
| Post Retirement Benefits | [Min. Rs.] |      | 1,055                                     |
| Repair & Maintenance     | [Min. Rs.] |      | 91  |
| Travelling allowance     | [Min. Rs.] |      | 25  |
| Vehicle maintenance      | [Min. Rs.] |      | 25  |
| Other expenses           | [Min. Rs.] |      | 63  |
| O&M-Cost                 | [Min. Rs.] |      | 2,465                                     |
| Depreciation             | [Min. Rs.] |      | 369                                       |
| RORB                     | [Min. Rs.] |      | 846                                       |
| O.Income                 | [Min. Rs.] |      | (314)                                     |
| Margin without PYA       | [Min. Rs.] |      | 3,370                                     |

- 21.10. 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





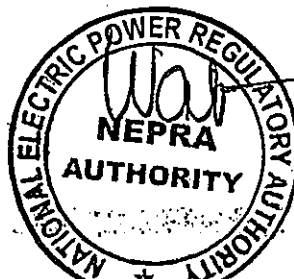
by applying the Rs./kWh rate as per the interim tariff (to the extent of Distribution & Supply Margin and PYA), with the projected unit sales from July to December 2025.

- 21.11. 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.
- 21.12. 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.

## 22. Order

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

| Description                             | Unit       | Revised Allowed |        |
|---|------------|-----------------|--------|
|   |            | SOP             | SOP    |
| Units Purchased                         | [MkWh]     |                 | 3,094  |
| Units Sold                              | [MkWh]     |                 | 2,618  |
| Units Lost                              | [MkWh]     |                 | 476    |
| Units Lost                              | [%]        |                 | 15.39% |
| Energy Charge                           |            |                 | 25,301 |
| Capacity Charge                         |            |                 | 41,291 |
| Transmission Charges/Market Fee         |            |                 | 5,082  |
| Power Purchase Price                    |            |                 | 71,674 |
| Wire Business                           |            |                 | 2,403  |
| Power Purchase Price with Wire Business | [Min. Rs.] |                 | 74,077 |
| Pay & Allowances                        | [Min. Rs.] | 820             | 658    |
| Post Retirement Benefits                | [Min. Rs.] | 689             | 355    |
| Repair & Maintenance                    | [Min. Rs.] | 62              | 49     |
| Traveling allowance                     | [Min. Rs.] | 17              | 12     |
| Vehicle maintenance                     | [Min. Rs.] | 17              | (4)    |
| Other expenses                          | [Min. Rs.] | 43              | (25)   |
| O&M Cost                                | [Min. Rs.] | 1,648           | 1,046  |
| Depreciation                            | [Min. Rs.] | 87              | 80     |
| RORB                                    | [Min. Rs.] | 290             | 141    |
| O.Income                                | [Min. Rs.] | (196)           | (204)  |
| Margin without PYA                      | [Min. Rs.] | 1,829           | 1,064  |
| Prior Year Adjustment                   | [Min. Rs.] |                 | (7)    |
| Working Capital                         | [Min. Rs.] |                 | (261)  |
| Total                                   | [Min. Rs.] | 1,829           | 795    |
| Revenue Requirement                     | [Min. Rs.] | 1,829           | 74,872 |
| Average Tariff                          | [Rs./kWh]  |                 | 28.60  |



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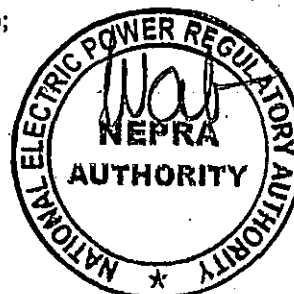
- 22.2. The above assessment has been carried out based on the data/information provided by the Petitioner, which the Authority believes is correct and based on facts. In case of any deviation / misrepresentation observed at a later stage, the Petitioner shall be held responsible for the consequences arising out, under NEPRA Act and the rules and regulations made thereunder. Any consequential adjustment if required will be made accordingly.
- 22.3. The Petitioner is directed to submit its next tariff petition under the MYT regime by the end of July 2026, and the monthly and quarterly adjustments as per the following time lines;

| Description                       | Pass Through | ADJUSTMENTS/ INDEXATION  | TIME LINES   |
|-----------------------------------|--------------|--|--|
| Power Purchase Price              |              | 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 CP&A (G) by close of the month.   |
| Variable O&M                      | Pass through | 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 / UO&C & 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. |

- 22.4. For determination of use of system charges based on the aforementioned revenue requirement the petitioner is directed to file its use of system charges petitions in line with applicable documents.
- 22.5. The Petitioner is directed to ensure separate disclosure of each item in its audited financial statements as mentioned in the determination.
- 22.6. The Petitioner is also directed to ensure breakup of its Operating cost in terms of Distribution and Supply function separately in its audited financial statements.
- 22.7. The Petitioner 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.
- 22.8. 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 agency of the Federal or Provincial Government;
- 22.9. The Petitioner shall ensure to develop, maintain and publicly make available, its investment program for satisfying its service obligations and acquiring and selling its assets.
- 22.10. The Petitioner shall disconnect the provision of electric power to a consumer for default in payment of power charges or to a consumer who is involved in theft of electric power on the request of Licensee.
- 22.11. The Petitioner shall comply with, all the existing or future applicable Rules, Regulations, orders of the Authority and other applicable documents as issued from time to time.

### 23. Summary of Direction

- 23.1. The Authority hereby directs the Petitioner to;





- 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 the amount of IDC capitalized with its subsequent adjustment request and reflect the same in its Audited Financial Statements each year.
  - iv. 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.
  - v. To provide a certification from its Auditors that Repair and Maintenance expenditure does not include any CAPEX nature item
24. The Determination of the Authority, is hereby intimated to the Federal Government for filing of uniform tariff application in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.
25. The instant determination of the Authority along-with order part and Annexures, be also notified in terms of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, while notifying the uniform tariff application decision of the Authority.

**AUTHORITY**

Amina Ahmed  
Member

Engr. Maqsood Anwar Khan  
Member

Waseem Mukhtar  
Chairman





**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

$$\text{Fuel Price variation} = \text{Actual Fuel Cost Component} - \text{Reference Fuel Cost Component}$$

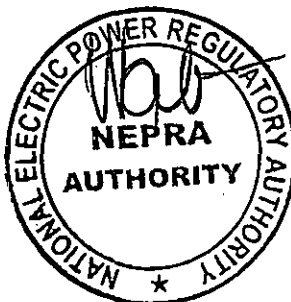
Where:

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.



### 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;

$$\text{Quarterly PPP}_{(Adj)} = \frac{\text{PPP}_{(Actual)} (\text{excluding Fuel cost}) - \text{PPP}_{(Recovered)} (\text{excluding Fuel cost})}{\text{Where;}}$$

Where;

PPP<sub>(Actual)</sub> 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<sub>(Recovered)</sub> 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

$$= \frac{\text{Monthly FCA allowed}_{(Rs./kWh)} \times \text{Actual units Purchase} \times \% \text{ T\&D losses}}{\text{Where;}}$$

Where;

Monthly FCA allowed <sub>(Rs./kWh)</sub> 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.

*J. M. A. L. A.*



**Hazara Electricity Supply Company (HAZECO)**  
**Estimated Sales Revenue on the Basis of New Tariff**

| Description                                     | Sales                                    |       | Base Revenue |                 |          | Base Tariff  |              |                 | PYA 2025 |                 | Total Tariff |              |                 |
|---|--|-------|--------------|-----------------|----------|--------------|--------------|-----------------|----------|-----------------|--------------|--------------|-----------------|
|   | GW/h                                     | % Mix | Fixed Charge | Variable Charge | Total    | Fixed Charge | Fixed Charge | Variable Charge | Amount   | Variable Charge | Fixed Charge | Fixed Charge | Variable Charge |
|   |  |       | Min. Rs.     | Min. Rs.        | Min. Rs. | Rs/Con/M     | Rs/KW/M      | Rs/KWh          | Min. Rs. | Rs/KWh          | Rs/Con/M     | Rs/KW/M      | Rs/KWh          |
| <b>Residential</b>                              |  |       |              |                 |          |              |              |                 |          |                 |              |              |                 |
| <b>For peak load requirement less than 5 kW</b> |  |       |              |                 |          |              |              |                 |          |                 |              |              |                 |
| Protected                                       | Up to 50 Units - Life Line               | 27    | 1.0%         | -               | 740      | 740          | -            | -               | 27.91    | (0.07)          | (0.00)       | -            | 27.9            |
|   | 51-100 units - Life Line                 | 19    | 0.7%         | -               | 539      | 539          | -            | -               | 28.52    | (0.05)          | (0.00)       | -            | 28.5            |
|   | 01-100 Units                             | 590   | 22.5%        | -               | 17,884   | 17,884       | -            | -               | 29.98    | (1.64)          | (0.00)       | -            | 29.9            |
|   | 101-200 Units                            | 121   | 4.6%         | -               | 3,816    | 3,816        | -            | -               | 29.85    | (0.34)          | (0.00)       | -            | 29.8            |
| Un-Protected                                    | 01-100 Units                             | 14    | 0.5%         | -               | 408      | 408          | -            | -               | 29.47    | (0.04)          | (0.00)       | -            | 29.4            |
|   | 101-200 Units                            | 44    | 1.7%         | -               | 1,337    | 1,337        | -            | -               | 30.28    | (0.12)          | (0.00)       | -            | 30.2            |
|   | 201-300 Units                            | 108   | 4.1%         | -               | 3,260    | 3,260        | -            | -               | 30.44    | (0.30)          | (0.00)       | -            | 30.4            |
|   | 301-400 Units                            | 30    | 1.2%         | 13              | 883      | 896          | 200          | -               | 29.11    | (0.08)          | (0.00)       | 200          | 29.1            |
|   | 401-500 Units                            | 12    | 0.5%         | 8               | 350      | 358          | 400          | -               | 28.69    | (0.03)          | (0.00)       | 400          | 28.6            |
|   | 501-600 Units                            | 6     | 0.2%         | 5               | 157      | 162          | 600          | -               | 28.49    | (0.02)          | (0.00)       | 600          | 28.4            |
|   | 601-700 Units                            | 3     | 0.1%         | 3               | 78       | 80           | 800          | -               | 28.36    | (0.01)          | (0.00)       | 800          | 28.3            |
|   | Above 700 Units                          | 11    | 0.4%         | 7               | 309      | 316          | 1,000        | -               | 28.23    | (0.03)          | (0.00)       | 1,000        | 28.2            |
| <b>For peak load requirement exceeding 5 kW</b> |  |       |              |                 |          |              |              |                 |          |                 |              |              |                 |
|   | Time of Use (TOU) - Peak                 | 4     | 0.2%         | 51              | 123      | 174          | 1,000        | -               | 28.84    | (0.01)          | (0.00)       | 1,000        | 28.8            |
|   | Time of Use (TOU) - Off-Peak             | 14    | 0.5%         | -               | 359      | 359          | 1,000        | -               | 26.41    | (0.04)          | (0.00)       | 1,000        | 26.4            |
|   | Temporary Supply                         | -     | 0.0%         | 0               | -        | -            | 2,000        | -               | 32.04    | -               | (0.00)       | 2,000        | 32.0            |
| <b>Total Residential</b>                        |  |       |              |                 |          |              |              |                 |          |                 |              |              |                 |
|   |  | 1,002 | 38.3%        | 87              | 29,872   | 29,959       |              |                 | (2.78)   |                 |              |              |                 |
| <b>Commercial - A2</b>                          |  |       |              |                 |          |              |              |                 |          |                 |              |              |                 |
| <b>For peak load requirement less than 5 kW</b> |  |       |              |                 |          |              |              |                 |          |                 |              |              |                 |
| <b>For peak load requirement exceeding 5 kW</b> |  |       |              |                 |          |              |              |                 |          |                 |              |              |                 |
|   | Regular                                  | -     | 0.0%         | -               | -        | -            | -            | 1,250           | 18.53    | -               | (0.00)       | 1,250        | 18.5            |
|   | Time of Use (TOU) - Peak                 | 23    | 0.9%         | -               | 631      | 631          | -            | -               | 26.97    | (0.06)          | (0.00)       | -            | 26.9            |
|   | Time of Use (TOU) - Off-Peak             | 92    | 3.5%         | 737             | 1,752    | 2,490        | -            | 1,250           | 19.07    | (0.26)          | (0.00)       | -            | 19.0            |
|   | Temporary Supply                         | 0     | 0.0%         | 1               | 8        | 9            | 5,000        | -               | 29.99    | (0.00)          | (0.00)       | 5,000        | 29.9            |
|   | Electric Vehicle Charging Station        | -     | 0.0%         | -               | -        | -            | -            | -               | 27.28    | -               | (0.00)       | -            | 27.2            |
| <b>Total Commercial</b>                         |  |       |              |                 |          |              |              |                 |          |                 |              |              |                 |
|   |  | 187   | 7.1%         | 1,553           | 3,666    | 5,229        |              |                 | (0.52)   |                 |              |              |                 |
| <b>General Services-A3</b>                      |  |       |              |                 |          |              |              |                 |          |                 |              |              |                 |
|   |  | 97    | 3.7%         | 99              | 2,349    | 2,448        | 1,000        | -               | 24.17    | (0.27)          | (0.00)       | 1,000        | 24.1            |
| <b>Industrial</b>                               |  |       |              |                 |          |              |              |                 |          |                 |              |              |                 |
|   | B1                                       | 0     | 0.0%         | 14              | 7        | 21           | 1,000        | -               | 35.01    | (0.00)          | (0.00)       | 1,000        | 35.0            |
|   | B1 Peak                                  | 1     | 0.0%         | -               | 38       | 38           | 1,000        | -               | 36.13    | (0.00)          | (0.00)       | 1,000        | 36.1            |
|   | B1 Off Peak                              | 7     | 0.3%         | 13.70           | 221      | 234          | 1,000        | -               | 32.69    | (0.02)          | (0.00)       | 1,000        | 32.6            |
|   | B2                                       | -     | 0.0%         | -               | -        | -            | -            | 1,250           | 33.61    | -               | (0.00)       | -            | 33.6            |
|   | B2 - TOU (Peak)                          | 18    | 0.7%         | -               | 675      | 675          | -            | -               | 37.84    | (0.05)          | (0.00)       | -            | 37.8            |
|   | B2 - TOU (Off-peak)                      | 112   | 4.3%         | 733             | 2,829    | 3,662        | -            | 1,250           | 26.13    | (0.31)          | (0.00)       | -            | 26.1            |
|   | B3 - TOU (Peak)                          | 74    | 2.8%         | -               | 2,785    | 2,785        | -            | -               | 37.99    | (0.20)          | (0.00)       | -            | 37.9            |
|   | B3 - TOU (Off-peak)                      | 521   | 18.9%        | 2,262           | 12,184   | 14,446       | -            | 1,250           | 23.39    | (1.45)          | (0.00)       | -            | 23.3            |
|   | B4 - TOU (Peak)                          | 30    | 1.1%         | -               | 1,122    | 1,122        | -            | -               | 37.99    | (0.08)          | (0.00)       | -            | 37.9            |
|   | B4 - TOU (Off-peak)                      | 30    | 1.1%         | 225             | 831      | 1,056        | -            | 1,250           | 28.13    | (0.08)          | (0.00)       | -            | 28.1            |
|   | Temporary Supply                         | -     | 0.0%         | -               | -        | -            | 5,000        | -               | 38.88    | -               | (0.00)       | 5,000        | 38.9            |
| <b>Total Industrial</b>                         |  |       |              |                 |          |              |              |                 |          |                 |              |              |                 |
|   |  | 791   | 30.2%        | 3,247           | 20,601   | 24,048       |              |                 | (2.20)   |                 |              |              |                 |
| <b>Single Point Supply</b>                      |  |       |              |                 |          |              |              |                 |          |                 |              |              |                 |
|   | C1(a) Supply at 400 Volts-less than 5 kW | -     | 0.0%         | 0               | -        | 0            | 2,000        | -               | 26.38    | -               | (0.00)       | 2,000        | 26.3            |
|   | C1(b) Supply at 400 Volts-exceeding 5 kW | 0     | 0.0%         | 1               | 5        | 6            | -            | 1,250           | 12.87    | (0.00)          | (0.00)       | -            | 12.8            |
|   | Time of Use (TOU) - Peak                 | 3     | 0.1%         | -               | 79       | 79           | -            | -               | 24.27    | (0.01)          | (0.00)       | -            | 24.2            |
|   | Time of Use (TOU) - Off-Peak             | 13    | 0.5%         | 32              | 227      | 259          | -            | 1,250           | 17.82    | (0.04)          | (0.00)       | -            | 17.9            |
|   | C2 Supply at 11 kV                       | 4     | 0.1%         | 11              | 48       | 59           | -            | 1,250           | 13.57    | (0.01)          | (0.00)       | -            | 13.5            |
|   | Time of Use (TOU) - Peak                 | 5     | 0.2%         | -               | 140      | 140          | -            | -               | 26.57    | (0.01)          | (0.00)       | -            | 26.5            |
|   | Time of Use (TOU) - Off-Peak             | 24    | 0.9%         | 117             | 277      | 393          | -            | 1,250           | 11.37    | (0.07)          | (0.00)       | -            | 11.3            |
|   | C3 Supply above 11 kV                    | -     | 0.0%         | -               | -        | -            | -            | 1,250           | 21.66    | -               | (0.00)       | -            | 21.6            |
|   | Time of Use (TOU) - Peak                 | 3     | 0.1%         | -               | 98       | 98           | -            | -               | 31.39    | (0.01)          | (0.00)       | -            | 31.3            |
|   | Time of Use (TOU) - Off-Peak             | 10    | 0.4%         | 48              | 197      | 245          | -            | 1,250           | 19.71    | (0.03)          | (0.00)       | -            | 19.7            |
| <b>Total Single Point Supply</b>                |  |       |              |                 |          |              |              |                 |          |                 |              |              |                 |
|   |  | 63    | 2.4%         | 209             | 1,070    | 1,279        |              |                 | (0.17)   |                 |              |              |                 |
| <b>Agricultural Tube-wells - Tariff D</b>       |  |       |              |                 |          |              |              |                 |          |                 |              |              |                 |
|   | Scarp                                    | -     | 0.0%         | -               | -        | -            | -            | -               | 18.08    | -               | (0.00)       | -            | 18.0            |
|   | Time of Use (TOU) - Peak                 | 0     | 0.0%         | -               | 0        | 0            | -            | -               | 15.07    | (0.00)          | (0.00)       | -            | 15.0            |
|   | Time of Use (TOU) - Off-Peak             | 0     | 0.0%         | 0               | 1        | 1            | -            | 400             | 12.90    | (0.00)          | (0.00)       | -            | 12.9            |
|   | Agricultural Tube-wells                  | -     | 0.0%         | -               | -        | -            | -            | 400             | 25.86    | -               | (0.00)       | -            | 25.8            |
|   | Time of Use (TOU) - Peak                 | 1     | 0.0%         | -               | 29       | 29           | -            | -               | 29.49    | (0.00)          | (0.00)       | -            | 29.4            |
|   | Time of Use (TOU) - Off-Peak             | 5     | 0.2%         | 12              | 133      | 145          | -            | 400             | 24.89    | (0.01)          | (0.00)       | -            | 24.8            |
| <b>Total Agricultural</b>                       |  |       |              |                 |          |              |              |                 |          |                 |              |              |                 |
|   |  | 6     | 0.2%         | 13              | 163      | 176          |              |                 | (0.02)   |                 |              |              |                 |
| <b>Public Lighting - Tariff G</b>               |  |       |              |                 |          |              |              |                 |          |                 |              |              |                 |
|   |  | 1     | 0.0%         | 5               | 28       | 34           | 2,000        | -               | 22.38    | (0.00)          | (0.00)       | 2,000        | 22.3            |
| <b>Residential Colonies</b>                     |  |       |              |                 |          |              |              |                 |          |                 |              |              |                 |
|   |  | 1     | 0.0%         | 0               | 10       | 10           | 2,000        | -               | 17.71    | (0.00)          | (0.00)       | 2,000        | 17.7            |
| <b>Tariff K - A/JK</b>                          |  |       |              |                 |          |              |              |                 |          |                 |              |              |                 |
|   |  | -     | 0.0%         | -               | -        | -            | -            | 1,250           | 18.55    | -               | (0.00)       | -            | 18.5            |
|   | Time of Use (TOU) - Peak                 | 97    | 3.7%         | -               | 2,417    | 2,417        | -            | -               | 24.86    | (0.27)          | (0.00)       | -            | 24.8            |
|   | Time of Use (TOU) - Off-Peak             | 373   | 14.2%        | 1,709           | 7,511    | 9,280        | -            | 1,250           | 20.16    | (1.04)          | (0.00)       | -            | 20.1            |
| <b>Total</b>                                    |  |       |              |                 |          |              |              |                 |          |                 |              |              |                 |
|   |  | 472   | 18.0%        | 1,774           | 9,967    | 11,741       |              |                 | (1.31)   |                 |              |              |                 |
| <b>Pre-paid Supply Tariff</b>                   |  |       |              |                 |          |              |              |                 |          |                 |              |              |                 |
| Residential                                     | -  | -     | -            | -               | -        | -            | 1,000        | -               | 34.29    | -               | (0.00)       | 1,000        | 34.2            |
| Commercial - A2                                 | -  | -     | -            | -               | -        | -            | -            | 1,250           | 22.54    | -               | (0.00)       | -            | 22.5            |
| General Services - A3                           | -  | -     | -            | -               | -        | -            | 1,000        | -               | 27.80    | -               | (0.00)       | 1,000        | 27.8            |
| Industrial                                      | -  | -     | -            | -               | -        | -            | -            | 1,250           | 30.23    | -               | (0.00)       | -            | 30.2            |
| Single Point Supply                             | -  | -     | -            | -               | -        | -            | -            | 1,250           | 19.88    | -               | (0.00)       | -            | 19.8            |
| Agriculture Tube-wells - Tariff D               | -  | -     | -            | -               | -        | -            | -            | 400             | 29.32    | -               | (0.00)       | -            | 29.3            |
| <b>Grand Total</b>                              |  |       |              |                 |          |              |              |                 |          |                 |              |              |                 |
|   |  | 2,618 | 100%         | 6,991           | 67,888   | 74,879       |              |                 | -        | 7               |              |              |                 |

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



# SCHEDULE OF ELECTRICITY TARIFFS FOR HAZARA ELECTRIC SUPPLY COMPANY (HAZECO)

## GENERAL SUPPLY TARIFF - RESIDENTIAL

| Sr. No.                   | TARIFF CATEGORY / PARTICULARS         | FIXED CHARGES | FIXED CHARGES | VARIABLE CHARGES |          | PTA 2025 | Total Variable Charges |       |
|---------------------------|---------------------------------------|---------------|---------------|------------------|----------|----------|------------------------|-------|
|                           |                                       | Rs / Conn / M | Rs / kW / M   | Rs/kWh           |          | Rs/kWh   | Rs/kWh                 |       |
|                           |                                       | A             | B             | C                |          | D        | E=C+D                  |       |
| Protected<br>Un-protected | a) For Sanctioned load less than 5 kW | -             | -             | 27.91            | (0.00)   |          | 27.91                  |       |
|                           | Up to 50 Units - Life Line            | -             | -             | 28.52            | (0.00)   |          | 28.52                  |       |
|                           | 51 - 100 Units - Life Line            | -             | -             | 29.98            | (0.00)   |          | 29.98                  |       |
|                           | 101 - 100 Units                       | -             | -             | 29.98            | (0.00)   |          | 29.98                  |       |
|                           | 101 - 200 Units                       | -             | -             | 29.47            | (0.00)   |          | 29.47                  |       |
|                           | 201 - 100 Units                       | -             | -             | 30.38            | (0.00)   |          | 30.38                  |       |
|                           | 201 - 200 Units                       | -             | -             | 30.44            | (0.00)   |          | 30.44                  |       |
|                           | 301 - 400 Units                       | 200           | -             | 29.11            | (0.00)   |          | 29.11                  |       |
|                           | 401 - 500 Units                       | 400           | -             | 28.69            | (0.00)   |          | 28.69                  |       |
|                           | 501 - 600 Units                       | 600           | -             | 28.49            | (0.00)   |          | 28.49                  |       |
|                           | 601 - 700 Units                       | 800           | -             | 28.26            | (0.00)   |          | 28.26                  |       |
|                           | Above 700 Units                       | 1,000         | -             | 28.23            | (0.00)   |          | 28.23                  |       |
|                           | b) For Sanctioned load 5 kW & above   | -             | -             | Peak             | Off-Peak | Peak     | Off-Peak               | Peak  |
|                           | Time Of Use                           | 1,000         | -             | 28.94            | 26.41    | (0.00)   | (0.00)                 | 28.94 |

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

As per Authority's decision, residential life line consumer will not be given any slab benefit.

Under tariff A-1, there shall be minimum monthly customer charge at the following rates even if no energy is consumed. For consumers where monthly fixed charges are applicable, no minimum charges shall be applicable on such consumers, even if no energy consumed.

a) Single Phase Connection:

Rs. 75/- per consumer per month

b) Three Phase Connection:

Rs. 150/- per consumer per month

## GENERAL SUPPLY TARIFF - COMMERCIAL

| Sr. No. | TARIFF CATEGORY / PARTICULARS               | FIXED CHARGES | FIXED CHARGES | VARIABLE CHARGES |          | PTA 2025 | Total Variable Charges |       |
|---------|---|---------------|---------------|------------------|----------|----------|------------------------|-------|
|         |   | Rs / Conn / M | Rs / kW / M   | Rs/kWh           |          | Rs/kWh   | Rs/kWh                 |       |
|         |   | A             | B             | C                |          | D        | E=C+D                  |       |
|         | a) For Sanctioned load less than 5 kW       | 1,000         | -             | 17.84            | (0.00)   |          | 17.84                  |       |
|         | b) For Sanctioned load 5 kW & above         | -             | 1,250         | Peak             | Off-Peak | Peak     | Off-Peak               | Peak  |
|         | Time Of Use                                 | -             | 1,250         | 25.97            | 19.07    | (0.00)   | (0.00)                 | 25.97 |
|         | c) Electric Vehicle Charging Station (EVCS) | -             | -             | 27.25            | (0.00)   |          | 27.25                  |       |
|         | d) Pre-Paid Commercial Supply Tariff        | -             | 1,250         | 22.54            | (0.00)   |          | 22.54                  |       |

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.

## GENERAL SERVICES TARIFF

| Sr. No. | TARIFF CATEGORY / PARTICULARS              | FIXED CHARGES | FIXED CHARGES | VARIABLE CHARGES |        | PTA 2025 | Total Variable Charges |  |
|---------|--|---------------|---------------|------------------|--------|----------|------------------------|--|
|         |  | Rs / Conn / M | Rs / kW / M   | Rs/kWh           |        | Rs/kWh   | Rs/kWh                 |  |
|         |  | A             | B             | C                |        | D        | E=C+D                  |  |
|         | a) General Services                        | 1,000         | -             | 24.17            | (0.00) |          | 24.17                  |  |
|         | b) Pre-Paid General Services Supply Tariff | 1,000         | -             | 27.80            | (0.00) |          | 27.80                  |  |

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.

## INDUSTRIAL SUPPLY TARIFFS

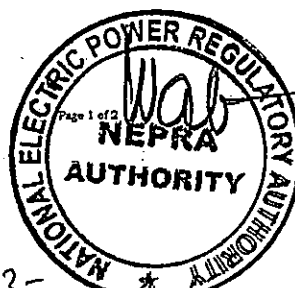
| Sr. No. | TARIFF CATEGORY / PARTICULARS                | FIXED CHARGES | FIXED CHARGES | VARIABLE CHARGES |          | PTA 2025 | Total Variable Charges |       |
|---------|--|---------------|---------------|------------------|----------|----------|------------------------|-------|
|         |  | Rs / Conn / M | Rs / kW / M   | Rs/kWh           |          | Rs/kWh   | Rs/kWh                 |       |
|         |  | A             | B             | C                |          | D        | E=C+D                  |       |
|         | B1 Up to 25 kW (at 400/230 Volts)            | 1,000         | -             | 35.01            | (0.00)   |          | 35.01                  |       |
|         | B2(a) exceeding 25-400 kW (at 400 Volts)     | -             | 1,250         | 33.61            | (0.00)   |          | 33.61                  |       |
|         | Time Of Use                                  | -             | -             | Peak             | Off-Peak | Peak     | Off-Peak               | Peak  |
|         | B1 (b) Up to 25 kW                           | 1,000         | -             | 38.13            | 32.49    | (0.00)   | (0.00)                 | 38.13 |
|         | B2(b) exceeding 25-500 kW (at 400 Volts)     | -             | 1,250         | 37.94            | 36.13    | (0.00)   | (0.00)                 | 37.94 |
|         | B3 For All Loads up to 5000 kW (at 11,33 kV) | -             | 1,250         | 37.99            | 37.99    | (0.00)   | (0.00)                 | 37.99 |
|         | B4 For All Loads (at 66, 132 kV & above)     | -             | 1,250         | 37.99            | 38.13    | (0.00)   | (0.00)                 | 37.99 |
|         | Pre-Paid Industrial Supply Tariff            | -             | 1,250         | 30.23            | (0.00)   |          | 30.23                  |       |
|         |  |               |               | Peak             | Off-Peak | Peak     | Off-Peak               | Peak  |
|         |  |               |               | 24.27            | 17.93    | (0.00)   | (0.00)                 | 24.27 |

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.

## HAZARA ELECTRIC SUPPLY COMPANY (HAZECO) TARIFFS

| Sr. No. | TARIFF CATEGORY / PARTICULARS  | FIXED CHARGES | FIXED CHARGES | VARIABLE CHARGES |          | PTA 2025 | Total Variable Charges |       |
|---------|--|---------------|---------------|------------------|----------|----------|------------------------|-------|
|         |  | Rs / Conn / M | Rs / kW / M   | Rs/kWh           |          | Rs/kWh   | Rs/kWh                 |       |
|         |  | A             | B             | C                |          | D        | E=C+D                  |       |
|         | C-1 For supply at 400/230 Volts                                      | 2,000         | -             | 26.38            | (0.00)   |          | 26.38                  |       |
|         | a) Sanctioned load less than 5 kW                                    | -             | 1,250         | 12.87            | (0.00)   |          | 12.87                  |       |
|         | b) Sanctioned load 5 kW & up to 500 kW                               | -             | 1,250         | 13.57            | (0.00)   |          | 13.57                  |       |
|         | C-2(a) For supply at 11,33 kV up to and including 5000 kW            | -             | 1,250         | 21.66            | (0.00)   |          | 21.66                  |       |
|         | C-2(b) For supply at 66 kV & above and sanctioned load above 5000 kW | -             | 1,250         | 21.66            | (0.00)   |          | 21.66                  |       |
|         | Time Of Use  | -             | -             | Peak             | Off-Peak | Peak     | Off-Peak               | Peak  |
|         | C-1(a) For supply at 400/230 Volts 5 kW & up to 500 kW               | -             | 1,250         | 24.27            | 17.93    | (0.00)   | (0.00)                 | 24.27 |
|         | C-2(M) For supply at 11,33 kV up to and including 5000 kW            | -             | 1,250         | 26.57            | 11.37    | (0.00)   | (0.00)                 | 26.57 |
|         | C-2(N) For supply at 66 kV & above and sanctioned load above 5000 kW | -             | 1,250         | 31.39            | 19.71    | (0.00)   | (0.00)                 | 31.39 |
|         | Pre-Paid HAZECO Supply Tariff  | -             | 1,250         | 19.68            | (0.00)   |          | 19.68                  |       |

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.



**SCHEDULE OF ELECTRICITY TARIFFS**  
**FOR HAZARA ELECTRIC SUPPLY COMPANY (HAZESCO)**  
**AND AGRICULTURE TARIFFS**

| Sr. No.                   | TARIFF CATEGORY / PARTICULARS | FIXED CHARGES | FIXED CHARGES | VARIABLE CHARGES |          | FYA 2025 |          | Total Variable Charges |          |
|---------------------------|-------------------------------|---------------|---------------|------------------|----------|----------|----------|------------------------|----------|
|                           |                               | Rs / Conn / M | Rs / kW / M   | Rs/kWh           |          | Rs/kWh   | Rs/kWh   | Rs/kWh                 |          |
|                           |                               | A             | B             | C                |          | D        | E=C+D    | F=C+D                  |          |
| D-1(a)                    | SCAUP less than 5 kW          | -             | -             | 18.08            |          | (0.00)   |          | 18.08                  |          |
| D-2 (a)                   | Agricultural Tube Wells       | -             | 400           | 25.66            |          | (0.00)   |          | 25.66                  |          |
| D-1(b)                    | SCAUP 5 kW & above            | -             | 400           | Peak             | Off-Peak | Peak     | Off-Peak | Peak                   | Off-Peak |
| D-2 (b)                   | Agricultural 5 kW & above     | -             | 400           | 15.07            | 12.90    | (0.00)   | (0.00)   | 15.07                  | 12.90    |
| Pre-Paid for Agri & Scary |                               | -             | 400           | 29.49            | 24.87    | (0.00)   | (0.00)   | 29.49                  | 24.87    |
|                           |                               | -             | 400           | 29.23            | 24.23    | (0.00)   | (0.00)   | 29.23                  | 24.23    |

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 TDU metering.

**TEMPORARY SUPPLY TARIFFS**

| Sr. No. | TARIFF CATEGORY / PARTICULARS | FIXED CHARGES | FIXED CHARGES | VARIABLE CHARGES |  | PTA 2025 | Total Variable Charges |       |
|---------|-------------------------------|---------------|---------------|------------------|--|----------|------------------------|-------|
|         |                               | Rs / Conn / M | Rs / kW / M   | Rs/kWh           |  | Rs/kWh   | Rs/kWh                 |       |
|         |                               | A             | B             | C                |  | D        | E=C+D                  |       |
| E-1(i)  | Residential Supply            | 2,000         |               | 32.04            |  | (0.00)   |                        | 32.04 |
| E-1(ii) | Commercial Supply             | 5,000         |               | 29.99            |  | (0.00)   |                        | 29.99 |
| E-2     | Industrial Supply             | 5,000         |               | 38.98            |  | (0.00)   |                        | 38.98 |

**SEASONAL INDUSTRIAL SUPPLY TARIFF**

125% of relevant industrial tariff

Note: Tariff 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.

**PUBLIC LIGHTING TARIFF**

| Sr. No. | TARIFF CATEGORY / PARTICULARS | FIXED CHARGES | FIXED CHARGES | VARIABLE CHARGES |  | PTA 2025 | Total Variable Charges |
|---------|-------------------------------|---------------|---------------|------------------|--|----------|------------------------|
|         |                               | Rs / Conn / M | Rs / kW / M   | Rs / kWh         |  | Rs / kWh | Rs / kWh               |
|         |                               | A             | B             | C                |  | D        | E=C+D                  |
|         | Direct Lighting               | 2,000         |               | 22.28            |  | (0.00)   | 22.28                  |

**RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES**

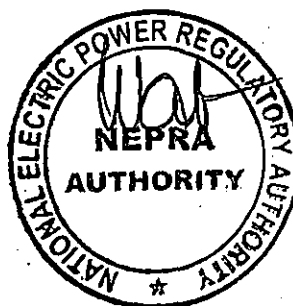
| Sr. No. | TARIFF CATEGORY / PARTICULARS                        | FIXED CHARGES | FIXED CHARGES | VARIABLE CHARGES |  | PTA 2025 | Total Variable Charges |          |
|---------|--|---------------|---------------|------------------|--|----------|------------------------|----------|
|         |  | Rs / Conn / M | Rs / kW / M   | Rs / kWh         |  | Rs / kWh | Rs / kWh               | Rs / kWh |
|         |  | A             | B             | C                |  | D        | E=C+D                  |          |
|         | Residential Colonies attached to industrial premises | 2,000.00      |               | 17.71            |  | (0.00)   | 17.71                  |          |

**SPECIAL CONTRACTS**

| Sr. No. | TARIFF CATEGORY / PARTICULARS                    | FIXED CHARGES | FIXED CHARGES | VARIABLE CHARGES |          | PTA 2025 | Total Variable Charges |        |          |
|---------|--|---------------|---------------|------------------|----------|----------|------------------------|--------|----------|
|         |  | Rs / Conn / M | Rs / kW / M   | Rs/kWh           |          | Rs/kWh   | Rs/kWh                 | Rs/kWh |          |
|         |  | A             | B             | C                |          | D        | E=C+D                  |        |          |
| 1       | Asad Jangama & Harshmit (AJH)<br><br>Time Of Use | -             | 1,250.00      | 18.69            |          | 10.00    | 18.69                  |        |          |
|         |  |               |               | Peak             | Off-Peak | Peak     | Off-Peak               | Peak   | Off-Peak |
|         |  |               |               | 24.85            | 20.16    | (0.00)   | (0.00)                 | 24.85  | 20.16    |

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

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HAZECO

| 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) | 251    | 209    | 218    | 225    | 290    | 341    | 289    | 285    | 314    | 229    | 202    | 241    | 3,094 |

|                        |         |         |         |         |         |         |         |         |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 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  | 7.7904  |
| 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  | 0.3861  |
| Capacity               | 15.3645 | 18.2135 | 19.0844 | 12.8483 | 9.3308  | 9.5135  | 11.1406 | 11.3160 | 11.0665 | 13.5945 | 17.7870 | 16.4828 | 13.3440 |
| UoSC                   | 1.6756  | 1.8179  | 2.1337  | 1.6500  | 1.3235  | 1.3989  | 1.5786  | 1.5564  | 1.5346  | 1.7058  | 1.8543  | 1.8130  | 1.6424  |
| Total PPP In Rs. / kWh | 27.8267 | 27.0619 | 29.5660 | 23.2200 | 19.5633 | 19.0651 | 20.2150 | 20.3603 | 20.4523 | 23.5948 | 26.1873 | 26.6333 | 23.1629 |

|                        |       |       |       |       |       |       |       |       |       |       |       |       |        |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| Fuel Cost Component    | 2,612 | 1,407 | 1,743 | 1,860 | 2,441 | 2,631 | 2,047 | 2,025 | 2,345 | 1,800 | 1,260 | 1,935 | 24,105 |
| Variable O&M           | 98    | 62    | 77    | 84    | 138   | 150   | 116   | 111   | 123   | 97    | 61    | 77    | 1,195  |
| Capacity               | 3,861 | 3,806 | 4,161 | 2,919 | 2,702 | 3,245 | 3,216 | 3,227 | 3,479 | 3,109 | 3,588 | 3,978 | 41,291 |
| UoSC                   | 421   | 380   | 455   | 372   | 383   | 477   | 456   | 444   | 482   | 390   | 374   | 438   | 5,082  |
| Total PPP In Rs. / Min | 6,993 | 5,655 | 6,447 | 5,235 | 5,664 | 6,502 | 5,835 | 5,806 | 6,430 | 5,397 | 5,282 | 6,428 | 71,674 |

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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**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 HAZECO engaged in the business of distribution/supply of electricity within the territory mentioned in the licence granted to it for this purpose.

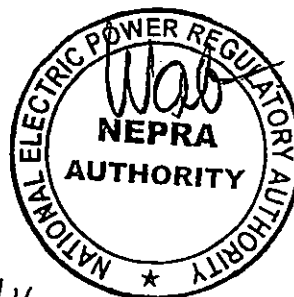
1. "Month or Billing Period", unless otherwise defined for any particular tariff category, means a billing month of 31 days or less reckoned from the date of last meter reading.  
  
If, for any reason, the scheduled reading period of a consumer exceeds the number of days in a calendar month, the total 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 sanctioned 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:

|                         | <u>• PEAK TIMING</u> | <u>OFF-PEAK TIMING</u>        |
|-------------------------|----------------------|-------------------------------|
| 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-                          |

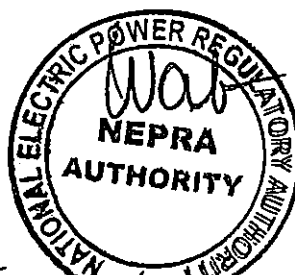
\* To be duly adjusted in case of day light time saving

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<sup>th</sup> 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%.

*Signature*





## 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  $\leq 100$  units; two rates for  $\leq 50$  and  $\leq 100$  units will continue.

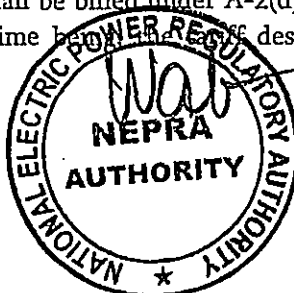
"Protected consumers" mean Non-ToU residential consumers consuming  $\leq 200$  kWh per month consistently for the past 6 months.

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

1. This Tariff is applicable for supply to;
  - i) Residences,
  - ii) Places of worship,
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. A-1(a) tariff.
3. All new consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangement and shall be billed on the basis of tariff A-1(b) as set out in the Schedule of Tariff.
4. All existing consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangement and converted to A- 1(b) Tariff by the Company.

### A-2 COMMERCIAL

1. This tariff is applicable for supply to commercial offices and commercial establishments such as:
  - i) Shops/Flower Nurseries/Cold Storage
  - ii) Hotels, Hostels and Restaurants,
  - iii) Petrol Pumps and Service Stations,
  - iv) Compressed Natural Gas filling stations,
  - v) Private Hospitals/Clinics/Dispensaries,
  - vi) Places of Entertainment, Cinemas, Theaters, Clubs;
  - vii) Guest Houses/Rest Houses,
  - viii) Office of Lawyers, Solicitors, Law Associates and Consultants etc.
  - ix) Electric Vehicle Charging Stations (EVCS)
2. Electric Vehicle Charging Stations shall be billed under A-2(d) tariff i.e. Rs./kWh for peak and off-peak hours. For the time based tariff design is with zero fixed



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

3. The Electric Vehicle Charging Station shall provide "charging service" to Electric Vehicle shall provide charging service to Electric Vehicles as per the applicable tariff for EVCS category, plus margin, to be determined by the market forces itself. The EVCS shall be billed by DISCOS under A-2(d) tariff. However, monthly FCAs either positive or negative shall not be applicable on EVCS.
4. Consumers under tariff A-2 having sanctioned load of less than 5 kW shall be billed under a Single-Part kWh rate A-2(a)
5. All existing consumers under tariff A-2 having sanctioned load 5 kW and above shall be billed on A-2(b) tariff till such time that they are provided T.O.U metering arrangement; thereafter such consumers shall be billed on T.O.U tariff A-2(c).
6. The existing and prospective consumers having load of 5 kW and above shall be provided T.O.U metering arrangement and shall be billed under tariff A-2(c).

### A-3 GENERAL SERVICES

1. This tariff is applicable to;
  - i. Approved religious and charitable institutions
  - ii. Government and Semi-Government offices and Institutions
  - iii. Government Hospitals and dispensaries
  - iv. Educational institutions
  - v. Water Supply schemes including water pumps and tube wells other than those meant for the irrigation or reclamation of Agriculture land.

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

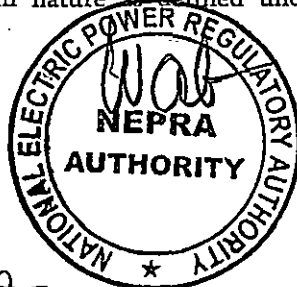
### B INDUSTRIAL SUPPLY

#### Definitions

1. "Industrial Supply" means the supply for bona fide industrial purposes in factories including the supply required for the offices inside the premises and for normal working of the industry.
2. For the purposes of application of this tariff an "Industry" means a bona fide undertaking or establishment engaged in manufacturing, value addition and/or processing of goods.
3. This Tariff shall also be available for consumers having single-metering arrangement such as;
  - i) Poultry Farms
  - ii) Fish Hatcheries, fish farms, fish nurseries & Breeding Farms and
  - iii) Software houses

#### Conditions

An industrial consumer shall have the option, to switch over to seasonal Tariff-F, provided his connection is seasonal in nature as defined under Tariff-F and he



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.



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.

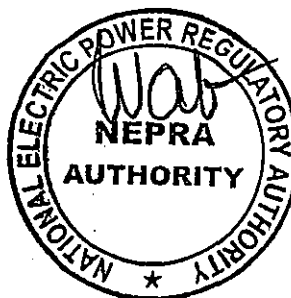
#### **C BULK SUPPLY**

"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.

#### **G-I SUPPLY AT 400/230 VOLTS**



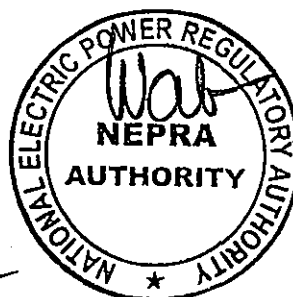
1. This Tariff is applicable to a consumer having a metering arrangement at 400 volts, having sanctioned load of up to and including 500 kW.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. C-1(a) tariff.
3. All new consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangement and shall be billed on the basis of Time-of-Use (T.O.U) tariff C-1(c) given in the Schedule of Tariff.
4. All the existing consumers governed by this tariff having sanctioned load 5 kW and above shall be provided T.O.U metering arrangements.

#### **C-2 SUPPLY AT 11 kV AND 33 kV**

1. This tariff is applicable to consumers receiving supply at 11 kV or 33 kV at one-point metering arrangement and having sanctioned load of more than 500 kW up to and including 5 MW.
2. The consumers may be allowed extension of load beyond 5MW upto 7.5MW from the DISCO's owned grid station subject to availability of load in the grid and capacity in the 11kV existing dedicated feeder. In such a case the consumer will bear 100% grid sharing charges including transmission line charges and 100% cost of land proportionate to load. However, only such consumers be allowed extension of load beyond 5MW upto 7.5MW whose connection is at least three (3) years old. While allowing extension in load, the DISCOs shall ensure that no additional line losses are incurred and additional loss, if any, shall be borne by the respective consumers.
3. The supply under this Tariff shall not be available to a prospective consumer unless he provides, to the satisfaction and approval of the Company, his own Transformer, Circuit Breakers and other necessary equipment as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively pays to the Company for all apparatus and equipment if so provided and installed by the Company. The recovery of the cost of service connection shall be regulated by the Eligibility Criteria laid down by the Authority read with CSM.
4. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff C-2(b) as set out in the Schedule of Tariff.
5. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to C-2(b).

#### **C-3 SUPPLY AT 66 kV AND ABOVE**

1. This tariff is applicable to consumers having sanctioned load of more than 5000 kW receiving supply at 66 kV and above.
2. If the Grid Station required for provision of supply falls within the purview of the dedicated system under the Eligibility Criteria laid down by the Authority read with CSM, the supply under this Tariff shall not be available to such a prospective consumer unless he provides, to the satisfaction and approval of the Company, an independent grid station of his own including Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively, pays to the Company for all such Land, Building, Transformers, Circuit Breakers and other



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

3. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to C-3(b).
4. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff C-3(b) as set out in the Schedule of Tariff.

#### D AGRICULTURAL SUPPLY

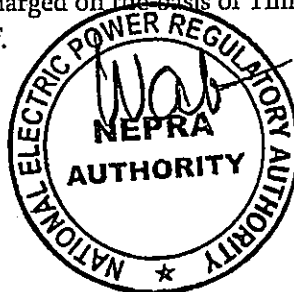
"Agricultural Supply" means the supply for Lift Irrigation Pumps and/or pumps installed on Tube-wells intended solely for irrigation or reclamation of agricultural land or forests, and include supply for lighting of the tube-well chamber.

##### Special Conditions of Supply

1. This tariff shall apply to:
  - i) Reclamation and Drainage Operation under Salinity Control and Reclamation Projects (SCARP):
  - ii) Bona fide forests, agricultural tube-wells and lift irrigation pumps for the irrigation of agricultural land.
  - iii) Tube-wells meant for aqua-culture.
  - iv) Tube-wells installed in a dairy farm meant for cultivating crops as fodder and for upkeep of cattle.
2. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.
3. The lamps and fans consumption in the residential quarters, if any, attached to the tube-wells shall be charged entirely under Tariff A-1 for which separate metering arrangements should be installed.
4. The supply under this Tariff shall not be available to consumer using pumps for the irrigation of parks, meadows, gardens, orchards, attached to and forming part of the residential, commercial or industrial premises in which case the corresponding Tariff A-1, A-2 or Industrial Tariff B-1, B-2 shall be respectively applicable.

##### D-1

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



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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

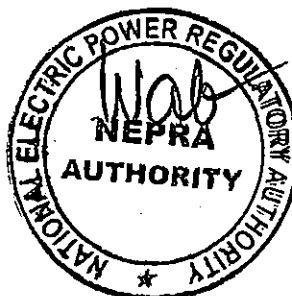
1. This tariff shall apply to Residential and Commercial consumers for temporary supply.
2. Ordinarily the supply under this Tariff shall not be given by the Company without first obtaining security equal to the anticipated supply charges and other miscellaneous charges for the period of temporary supply.

#### 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.

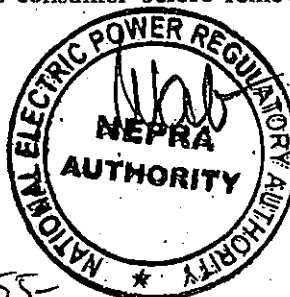
#### Definitions

"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.

*Final*

