



Registrar

National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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No. NEPRA/TRF-444/TESCO-2018/13647-13649
August 31, 2018

Subject: Determination of the Authority in the matter of Petition filed by the Tribal Areas Electricity Supply Company Ltd. (TESCO) for Determination of its Consumer end Tariff Pertaining to Financial Year 2017-2018 [Case # NEPRA/TRF-444/TESCO-2018]

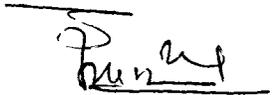
Dear Sir,

Please find enclosed herewith the subject Determination of the Authority along with Annexure-I, I-A, II, III, IV & V (49 pages) in Case No. NEPRA/TRF-444/TESCO-2018.

2. The Determination is being intimated to the Federal Government for the purpose of notification in the official gazette pursuant to Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

3. The Order Part along with Annexure-I, I-A, II, III, IV & V of the Authority's Determination is to be notified in the official Gazette.

Enclosure: As above


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(Syed Safer Hussain)

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

CC:

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



**National Electric Power Regulatory Authority
(NEPRA)**

PETITION NO: NEPRA/TRF-444/TESCO-2018

**TARIFF DETERMINATION
FOR
TRIBAL AREAS ELECTRICITY SUPPLY COMPANY LIMITED (TESCO)
FOR THE FY 2017-18
DETERMINED UNDER
NEPRA TARIFF (STANDARDS AND PROCEDURE) RULES - 1998**

Islamabad

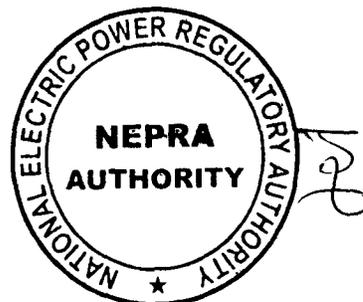
31st August , 2018



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
CWIP	Closing Work in Progress
DIIP	Distribution Company Integrated Investment Plan
DISCO	Distribution Company
DM	Distribution Margin
DOP	Distribution of Power
ELR	Energy Loss Reduction
ERC	Energy Regulatory Commission
ERP	Enterprise resource planning
FCA	Fuel Charges Adjustment
FY	Financial Year
GIS	Geographical Information System
GOP	Government of Pakistan
GWh	Giga Watt Hours
HHU	Hand Held Unit
HT/LT	High Tension/Low Tension
HSD	High Speed Diesel
IGTDP	Integrated Generation Transmission and Distribution Plan
IESCO	Islamabad Electric Supply Company Limited
KIBOR	Karachi Inter Bank Offer Rates
KSE	Karachi Stock Exchange
KV	Kilo Volt
kW	Kilo Watt
kWh	Kilo Watt Hour
LPC	Late Payment Charges

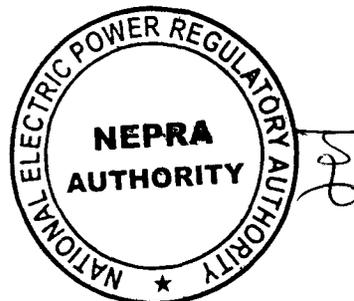
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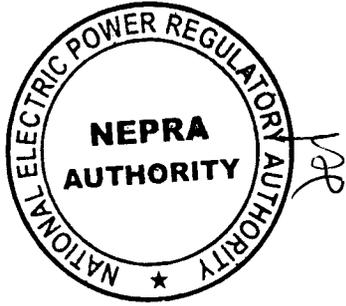
MDI	Maximum Demand Indicator
MEPCO	Multan Electric Power Company Limited
MMBTU	One million British Thermal Units
MoF	Market Operator Fee
MoWP	Ministry of Water and Power
MVA	Mega Volt Amp
MW	Mega Watt
NEPRA	National Electric Power Regulatory Authority
NOC	Network Operation Centre
NTDC	National Transmission & Despatch Company
O&M	Operation and Maintenance
OGRA	Oil and Gas Regulatory Authority
PEPCO	Pakistan Electric Power Company
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

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TPM	Transfer Price Mechanism
USCF	The fixed charge part of the Use of System Charges in Rs./kW/Month
UOSC	Use of System Charges
WACC	Weighted average cost of capital
WAPDA	Water and Power Development Authority
XWDISCO	Ex-WAPDA Distribution Company



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**DETERMINATION OF THE AUTHORITY IN THE MATTER OF PETITION FILED BY THE
TRIBAL AREAS ELECTRICITY SUPPLY COMPANY LIMITED (TESCO) FOR THE
DETERMINATION OF ITS CONSUMER END TARIFF PERATING TO FY 2017-18**

CASE NO. NEPRA/TRF-444/TESCO-2018

PETITIONER

Tribal Areas Electric Supply Company Limited (TESCO), Head Office, Sakhi Chashma,
Shami Road, Peshawar.

INTERVENER

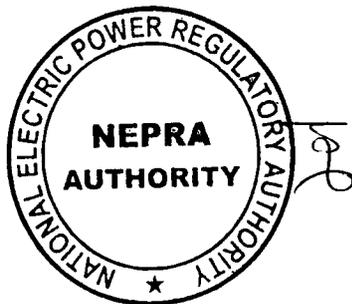
NIL

COMMENTATOR

NIL

REPRESENTATION

- | | |
|-----------------------|-------------------------|
| ▪ Mian Hamid | Chief Executive Officer |
| ▪ Mr. Fazli Wahab | Dy. Manager C/A |
| ▪ Mr. Tajamul Hussain | Dy. Manager C/S |
| ▪ Abdullah Haroon | A.D Finance |

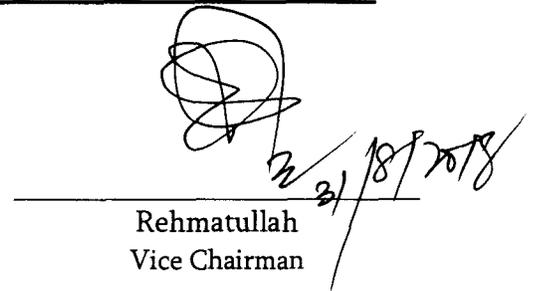


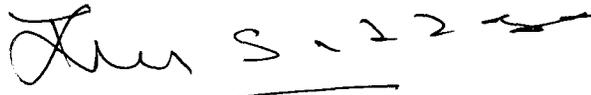
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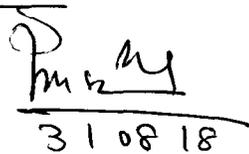
The Authority, in exercise of the powers conferred on it under Section 7(3) (a) read with Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, Tariff Standards and Procedure Rules, 1998 and all other powers enabling it in this behalf, and after taking into consideration all the submissions made by the parties, issues raised, evidence/record produced during hearings, and all other relevant material, hereby issues this determination.


Saif Ullah Chattha
Member 31.8.2018


Rehmatullah
Vice Chairman 31/8/2018


Brig (R) Tariq Saddozai
Chairman




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1. **BACKGROUND**

- 1.1. Tribal Areas Electricity Supply Company Limited (TESCO), hereinafter called "the Petitioner", being a Distribution Licensee of NEPRA filed a petition for the determination of its consumer-end tariff pertaining to the FY 2017-18 under single-year tariff regime in terms of Rule 3(1) of Tariff Standards & Procedure Rules-1998 (hereinafter referred as "Rules").

2. **RELIEF SOUGHT**

- 2.1. The petitioner requested to allow a sufficient average tariff to enable it to recover prudently incurred operating costs and earn a reasonable return on its assets to meet with its cash flow requirements.

3. **PROCEEDINGS**

- 3.1 In terms of rule 4 of the Tariff standard and Procedure Rules, 1998 (hereinafter referred to as "Rules"), the petition was admitted by the Authority on May 10, 2018. In compliance of the provisions of rules 5 & 6 of the Rules, notice of admission / hearing along-with the title and brief description of the petition was published in newspapers on 30th June 2018 and separate notices were also sent to the parties which were considered to be affected or interested.

4. **FILING OF OBJECTIONS/ COMMENTS:**

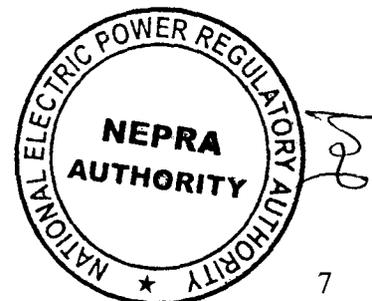
- 4.1 Comments/replies and filing of Intervention Request (IR), if any, were desired from the interested person/ party within 7 days of the publication of notice of admission in terms of Rule 6, 7 & 8 of the Rules. In response thereof no comments/ intervention requests were received.

5. **FRAMING OF ISSUES**

- 5.1 The pleadings so available on record were examined by the Authority in terms of rule 9 of the Tariff Rules; accordingly, in order to arrive at a just and informed decision, it was decided to conduct a hearing in the matter on 11th July, 2018 at NEPRA Tower G-5/1 Islamabad. Notices of hearing were published in the leading newspapers on June 30, 2018. On the basis of pleadings and available record, the following issues were framed to be considered during the hearing and for presenting written as well as oral evidence and arguments;

- i. Whether the Petitioner has complied with the directions of the Authority given in the tariff determination for the FY 2016-17?

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- ii. Whether the projected power purchases and projected power purchase cost for the FY 2017-18 is reasonable?
- iii. Whether the requested Transmission & Distribution losses for the FY 2017-18 is reasonable?
- iv. Whether the projected Net Distribution Margin (excluding RoRB) for the FY 2017-18 is justified?
- v. Whether the proposed Investment Plan for the FY 2017-18, is justified, keeping in view the prospective benefits?
- vi. Whether the proposed depreciation charges for the FY 2017-18 is justified?
- vii. Whether the projected Return on Regulatory Asset base (RORB) for the FY 2017-18 is justified?
- viii. Whether the requested wheeling charges, merits consideration?
- ix. Whether the request of allowing Financial Cost as a separate item along-with WACC is justified?
- x. Whether the prior year adjustment for FY 2016-17 is accurate?
- xi. Whether the tariff petition substantially complies with NEPRA Determination of Consumer-end Tariff (Methodology and Process) Guidelines, 2015?
- xii. Whether the concerns raised by the intervener/ commentator if any are justified?
- xiii. Any other issue that may come up during the hearing or afterwards?

6. **HEARING**

- 6.1 The Hearing was held as per the schedule i.e. 11th July 2018 at NEPRA Tower Islamabad. The Petitioner was represented by its Chief Executive Officer along with his Financial and Technical team.
- 6.2 Having gone through the record of the case, examination of evidence/documents so produced and arguments advanced by the parties, the issue wise findings of the Authority are discussed hereunder.

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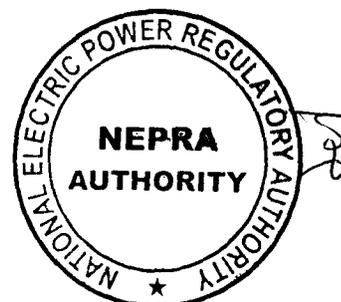


7. **Issue # 1: Whether the Petitioner has complied with the directions of the Authority given in the tariff determination for the FY 2016-17?**

7.1 The Authority issued several directions to the Petitioner in its tariff determination for the FY 2016-17, however, the Petitioner did not provide any progress report on these directions either during the hearing or afterwards. The Authority has taken a serious note of the non-compliance of the Authority's directions by the Petitioner which may result in initiating legal proceedings against the Petitioner as per the relevant rules. In view the Petitioner is directed to provide a detailed and comprehensive response regarding following directions by December 31, 2018;

- Completion report of separation of its feeders from PESCO by December 31, 2018.
- To complete the installation of TOU meters for the remaining consumer categories by December 31, 2018.
- Details of the actual investments carried out during the FY 2014-15, FY 2015-16 and FY 2016-17 along with their corresponding benefits, not later than December 31, 2018.
- Actuarial valuation of its post-retirement benefits and creation of separate independent post retirement fund latest by December 31, 2018.
- Segregation of its cost between travelling and vehicle maintenance cost in its financial statements for the FY 2016-17 and onwards.
- Disclosure of LPC amount separately in its financial statements for the FY 2016-17 and onwards.
- To provide a workable plan, with the consent of PESCO on the issue of payables, to ensure disposing of its liability in this regard latest by December 31, 2018.
- To come up with a concrete recovery plan and also to take up the matter at the level of Provincial and Federal governments for administrative, political and law enforcing agencies assistance and to provide the latest status/ update in the matter of letter written to GoP for information/ consideration of the Authority.
- To complete the process of installation of meters for the unmetered connections and printing of meter reading snapshots on the bills simultaneously and to share its progress in this regard with the Authority on quarterly basis.
- To stagger its investment plan in stages, which should be in line with its plan of installing meters on non-metered connections and to submit its investment needs in this regard along with the installation of meters, not later than December 31, 2018.

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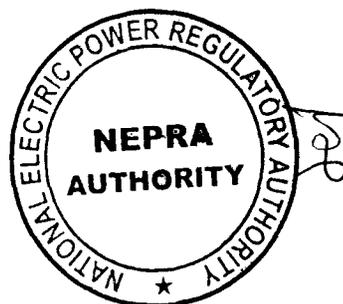


- To complete the installation of AMRs/ AMIs System and to ensure installation of AMR/ AMIs latest by December 31, 2018.
- To provide clear disclosure with respect to the consumer financed spares and stores, work in progress and cash & bank balance in financial statements for the FY 2016-17 and onwards.
- To share TORs and technical details of the study in respect of T&D losses already being undertaken and update the Authority on the latest progress of the study by December 30, 2018.
- To undertake village electrification without augmentation of the grid only, if it already has spare MVAs.

8. Issue # 2: Whether the Petitioner's projected energy purchases and sales for the FY 2017-18 is reasonable?

- 8.1 The Petitioner has proposed an estimated purchases of 1,666 GWh and sales of 1,416 GWh for the FY 2017-18 based on annual demand growth of 15.41%, due to return of Internally Displaced Persons (IDP's). The Petitioner further submitted that the final phase of the repatriation of South Waziristan Agency's internally displaced persons has begun since August 2017 and according to Fata Disaster Management Authority, possibly marking the 'complete' return of 71,124 registered dislocated families to their homes. The Petitioner further stated that presently in Pakistan the power sector is operating on a single buyer model, it neither produces a single unit of electricity itself nor does it purchase electricity from additional sources except CPPA-G. It only utilizes the allocated resources by CPPA.
- 8.2 Regarding the Power Purchase Price (PPP), the Petitioner in its petition stated that its actual PPP for first 8 months of the FY 2017-18 is Rs.10,358 million, providing the basis to project the PPP for last 4 months. The Petitioner projected total PPP for the FY 2017-18 as Rs.15,531 million, with per unit rate (*prior to adjustments for distribution losses*) of Rs. 9.322/kWh. The Petitioner also projected sales of 1,416 GWh by assuming T&D losses of 15.00% for the FY 2017-18 (*discussed separately in the ensuing paragraph*). However, during hearing of the instant petition, the Petitioner revised its PPP cost by mentioning that CPPA-G revised its invoices for the month of Dec 2017 and Jan 2018 and accordingly actual PPP for the last 4 months is also higher than projected, therefore, the projected PPP has been revised to Rs.19 billion.
- 8.3 The NEPRA determination of Consumer-end-Tariff (Methodology & Process) Guidelines, 2015, (herein referred to as "The Methodology") prescribes the submission of generation plan by NTDC and procurement plan by CPPA (G). CPPA-G submitted its

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electricity demand forecast based on Power Market Survey (PMS) for the period from 2016 to 2026.

- 8.4 Although, there is an inbuilt mechanism for adjusting actual variation in sales against the estimated sales, yet in order to avoid unnecessary fluctuations in the consumer-end tariff it is appropriate to make realistic assessment of the purchases and sales. Moreover, it is also important to have a realistic assessment of the monthly references of fuel cost for making monthly fuel cost adjustment pursuant to Section 31(7) of Regulation of Generation, Transmission and Distribution Act 1997.
- 8.5 Since, the instant tariff determination is being issued for the FY 2017-18, therefore, for the purpose of determining revenue requirement, the Authority observed that variation in fuel cost up to June 2018 has already been provided through monthly FCA decisions and other adjustments up to December 2017 have been included in the instant determination. For the remaining period of FY 2017-18 i.e. January to June 2018, the variations on the basis of actual PPP against the reference PPP that remain notified during this period, XWDISCOs would file their adjustment requests which will be decided by the Authority, in accordance with the notified mechanism.
- 8.6 For the purpose of adjustments for variation in PPP in the FY 2018-19, the Authority decided to revise the PPP references in order to ensure minimum variation between the actual vis a vis projected costs. In view thereof, the Authority has carried out a detailed exercise for estimating station wise generation pertaining to the FY 2018-19. As per the analysis, an increase of around 22.77% has been projected in the generation for FY 2018-19, over the actual generation made during the FY 2016-17. Here it is pertinent to mention that the actual generation for the FY 2016-17 was 5.87% more than actual generation for the FY 2015-16. However, keeping in view the GoP initiatives to eliminate load shedding from the Country, whereby, number of generation projects have been commissioned, the Authority is of the view that projected growth of 22.77% in generation is achievable during the FY 2018-19. Accordingly, after incorporating all the expected upcoming additional generation, it is estimated that the overall system generation will be around 131,436 GWh, and after adjusting for the NTDC's permissible transmission losses, about 128,397 GWh is expected to be delivered to the distribution companies; the estimated share for the Petitioner from the pool, is accordingly assessed as 1,983 GWh, as against 1,666 GWh projected by it. After incorporating the T&D losses target of 12.47% for the FY 2017-18 (discussed under the relevant issue), the sales target in the instant case for the same period works out as 1,736 GWh.
- 8.7 Similarly, to make a fair assessment of the Power Purchase Price (PPP), the Authority also carried out an in-house evaluation. As per the existing mechanism all the power generated from different sources is procured by the Central Power Purchasing Agency (CPPA-G) on behalf of DISCOs at the rates as per their Power Purchase Agreements

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(PPAs) and as per the Authority's determination. The overall power purchase cost constitutes a pool price which is transferred to the DISCOs according to a mechanism prescribed by the Authority and notified by the Federal Government in the Official Gazette. Accordingly, the Power Purchase Price has been projected, which in turn formulates the reference values for the monthly fuel adjustments & quarterly/ biannual PPP adjustment with respect to T&D losses, Capacity and Transmission Charges. Here it is pertinent to mention that while making the quarterly/ biannual adjustments of the PPP, the Authority may rationalize the SoT accordingly.

- 8.8 From the available sources i.e. Hydel, Gas, RLNG, RFO, Nuclear, Coal, Solar, Wind, Bagasse and Imports. The estimated/projected generation and cost of electricity is given in the following table:

Fuel Type	Gen.	Share	Cost	Share	Rate
	MkWh	%	Mln. Rs.	%	Rs./kWh
Hydel	43,314	32.95%	4,214	1%	0.10
Coal	18,589	14.14%	103,562	21%	5.57
HSD	161	0.12%	2,400	0%	14.90
F.O.	2,721	2.07%	40,853	8%	15.01
Gas	22,088	16.80%	93,647	19%	4.24
Nuclear	8,913	6.78%	8,950	2%	1.00
Mixed	271	0.21%	2,763	1%	10.18
Import from Iran	496	0.38%	5,237	1%	10.55
Wind Power	3,234	2.46%	641	0%	0.20
Bagasse	3,517	2.68%	23,465	5%	6.67
Solar	701	0.53%	-	0%	-
RLNG	27,430	20.87%	198,491	41%	7.24
Total	131,436	100%	484,224	100%	3.68
Energy Charges [Net of NTDC Losses]	128,397		484,224		3.77
Cap. Charge [Rs. /kWh]			664,374		5.17
UOSC/MoF [Rs. /kWh]			41,282		0.32
Total Cost [Rs. /kWh]			1,189,880		9.27

- 8.9 Here it is pertinent to mention that the aforementioned energy charge includes variable O&M charges, however, as per the tariff methodology, variable O&M charges are not made part of monthly fuel charges adjustment and are adjusted as part of quarterly / biannual adjustments. As per the above table, around 21% of total generation is expected from RLNG, with around 41% share in the overall energy cost. Similarly, Generation from indigenous gas is expected around 17% with a cost share of around 19%. Coal is expected to generate around 14.14% of total energy, however, its share in the overall energy cost is expected to be around 21%. Meaning thereby that variation in generation mix and prices of RLNG/ Gas & Coal would have greater impact on the generation cost, thus, ultimately affecting the consumer-end tariff. Here it is pertinent to mention that with this increased generation from RLNG, Coal and Nuclear, the share of RFO in total

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generation and consequently in the overall cost has been limited to only 2% and 8% respectively.

- 8.10 Regarding projection of fuel prices, the Authority noted that RLNG prices in Pakistan are not only affected by the international market being linked with prices of crude but also by the exchange rate parity. Accordingly, keeping in view the prevailing prices of RLNG as notified by OGRA, crude oil prices projections and the rupee devaluation, RLNG prices have been projected as Rs.1,367/mmbtu. For indigenous gas, the existing price of Rs.500/mmbtu (including GIDC of Rs.100/mmbtu) as notified by OGRA have been considered.
- 8.11 Regarding price of coal, the Authority analysed the projections made by Argus consulting, World Bank and IMF reports, whereby a downward trend in coal prices has been projected for future periods. However, owing to the devaluation of Pak rupee, the Authority considers coal price of Rs.13,884/MT, on delivered basis, as reasonable.
- 8.12 The actual prices of RFO during the FY 2015-16 remained at around 39,462 per metric ton [excluding Sales Tax and including freight] as against the Authority's projections of around Rs.47,981 [excluding Sales Tax and including freight] for the same period. Similarly for the FY 2017-18, till February 2018, the actual RFO prices remained at around Rs.46,431 per ton [excluding Sales Tax and including freight]. However, due to non-notification of the Authority's determined tariff for the FY 2015-16, the fuel references of RFO determined for the FY 2014-15 i.e. 65,769 per metric ton [excluding Sales Tax and including freight] remained applicable during the FY 2015-16, FY 2016-17 and FY 2017-18 (till March 2018) resulting in higher monthly fuel charges adjustments during this period.
- 8.13 The RFO prices in Pakistan are not only affected by the international market but also by the exchange rate parity. Based on the international market condition/ projections and keeping in view the increasing trend of RFO prices, it can be presumed that RFO prices would increase in future. Consequently, RFO prices have been assumed on an average of Rs. 64,892 per metric ton [excluding Sales Tax and including freight] after incorporating the possible determinants of RFO prices. The HSD prices are being assumed on an average of Rs. 68.23 per litre [excluding Sales Tax], keeping in view the increasing trend of HSD price and recent devaluation of Pak Rupee.
- 8.14 The generation cost is transferred to the DISCOs according to the Transfer Price Mechanism (TPM) as prescribed by the Authority. Energy transfer charge shall be calculated on the basis of units delivered after adjusting target transmission losses of NTDC. NTDC shall, for the purpose of clarity intimate to all DISCOs the generation part of the Transfer Charge during a billing period by deducting from the Transfer Charge the Transmission Charge or Use of System Charges.



8.15 According to the above mechanism Rs.11,844 million and Rs.734 million is the share of the Petitioner on account of CpGenCap and USCF & Market Operator Fee respectively for the FY 2017-18. The overall fixed charges comprising of CpGenCap and USCF in the instant case works out as Rs.12,578 million, which translate into Rs.2,332/kW/month on projected average monthly MDI of the Petitioner i.e. 450 MW or Rs. 6.34/kWh on units purchased basis.

8.16 The annual PPP for the FY 2017-18 in the instant case works out as Rs.20,115 million. With the projected purchase of 1,983 GWh for the same period, the average PPP of the Petitioner turns out to be as Rs10.14/kWh (Annex-IV), whereas, the national average determined PPP works out as Rs.9.27/kWh after accounting for the allowed level of NTDC losses. On the basis of allowed level of 12.47% T&D losses for the FY 2017-18, the adjusted PPP of the Petitioner is assessed as Rs.11.59/kWh.

9. Issue # 3: Whether the requested Transmission & Distribution losses of 15.00% for the FY 2017-18 is reasonable?

9.1 The Petitioner has requested T&D losses of 15% by submitting that in compliance of NEPRA directives, technical evaluation of T&D losses in respect of TESCO was completed by third party i.e. M/s Power planner international Lahore. The Petitioner further submitted that PPI analytically evaluated T&D losses of 17.93% for the financial year 2017-18, but in actual TESCO incurred 15% T&D for the first 8 months which are providing the base to project the T&D losses for next four months as well. The percentage losses reported includes the transmission loss. The Petitioner further submitted that CPPA / NTDC has started measuring the energy sold to TESCO on 132KVA point instead of 11KVA points after completion of metering points as approved by NEPRA.

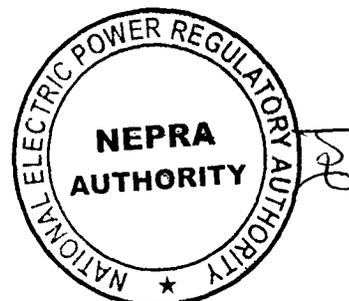
9.2 The Petitioner has provided the following historical actual losses;

T & D LOSSES					Rs. In Million	
STATUS	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
	Actual	Actual	Actual	Actual	Actual	Projected
Units Received	1683	1758	1397	1269	1451	1666
Units Sold	1295	1366	1101	1029	1227	1416
Units Lost	388	392	295	240	224	250
LOSSES	23.00%	22.00%	21.00%	19.00%	15.40%	15.00%

9.3 The Petitioner while justifying the requested losses submitted that;

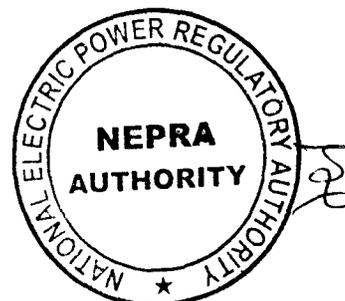
- i. Lengthy transmission lines.
- ii. Undersize conductor of the transmission lines.

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- iii. Over loaded grid system.
 - iv. Partially damaged distribution transformers.
 - v. Locally repaired distribution transformers.
 - vi. Very high percentage of technical losses because of lengthy and out dated distribution and grid system.
- 9.4 The Authority observed that the Petitioner's major receivables pertaining to residential consumers, are being picked up by the GoP. In addition, the fact that the maximum areas under its jurisdiction are no go areas, which are not freely accessible and it is only with the support of army & local tribal heads such areas are accessed. Consequently, the consumers of these areas are billed as per the load factor and based on the hours that electricity is supplied by the respective grid. In view of aforementioned factors, the Authority had directed the Petitioner in its tariff determination for the FY 2013-14 to conduct an independent study of its T&D losses. The Petitioner now has submitted its T&D losses study varied out by third party i.e. M/s PPI, whereby its T&D losses have been reported as 17.93%.
- 9.5 The Authority while assessing the Petitioner's T&D losses for the FY 2017-18 observed that the Petitioner's actual T&D losses for the FY 2017-18 remained at 12.47%, as per the DISCOs performance Statistics published by PEPCO, which are around 2.53% lower than the Petitioner's claim of actual losses of 15.00% for the same period. The actual losses are also lower than the third party losses study.
- 9.6 Although, the Petitioner has requested to allow 15.00% losses for the FY 2017-18, citing return of IDPs owing to improved law & order situation in some of its areas, however, the Authority has decided to limit the Petitioner's level of T&D losses for the FY 2017-18 as per actual T&D Losses for the FY 2017-18 i.e. 12.47%.
10. **Issue # 4: Whether the projected Net Distribution Margin (excluding RoRB) for the FY 2017-18 is justified?**
- 10.1 The Petitioner requested a Distribution Margin of Rs.3,549 million (*excluding RoRB*) for the FY 2017-18 which as per the Petitioner includes Salaries & Wages, Repair & Maintenance, Travelling, Vehicle Running and Other Expenses. The Petitioner submitted that based on the impact of inflation, salaries and other allowances, the O&M Expenses for the FY 2017-18 have been projected at around Rs. 0.726 /kWh. The Petitioner also stated that projection for operating and maintenance expenses is made on the basis of first seven months actual expenses of the financial year ended June, 30 2018. Figures have been adjusted to incorporate the anticipated rise of wages/salaries by Govt. of Pakistan and other expenses due to inflationary pressures. The Petitioner further

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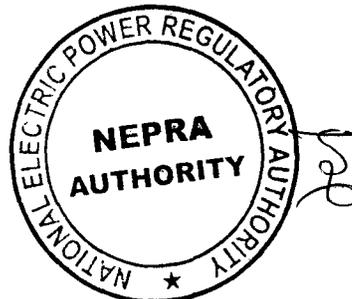
submitted that O&M per unit has been incurred at around Rs. 0.686/ kWh for the year 2016-17 on actual and Rs. 0.726 /kWh for the 2017-18 has been projected.

10.2 The Petitioner provided the following break-up regarding its O&M Cost;

Description	Rs. in millions			
	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual
Salaries Wages & Benefits etc.	567	665	735	847
Maintenance Expenses	21	23	46	52
Traveling Expenses	19	17	11	18
Vehicle Running Expenses	20	8	8	12
Wheeling charge	1,519	1,682	1,932	2,521
Bad debts	1,274	-	1,470	-
Other expenses	28	49	42	99
Total	3,448	2,444	4,244	3,549

10.3 **Salaries & Wages:** The Petitioner regarding this head stated that it includes employee's retirement benefits amounting to Rs.847 million which is the major component of O&M expenses. Since TESCO was incorporated as company in compliance with the power sector reform policy of Government of Pakistan and the WAPDA employees working in Area Electricity board Peshawar gradually became employees of the company in terms of the Man Power Transition Plan, therefore, TESCO had to Maintain the GoP pay scales and the terms of employment for the employees which were prevalent in WAPDA. The Petitioner further submitted that GoP in its Annual Budget for FY2016-17 has increased the Pay and Pension of Government employees @ 10% similarly 5% increase from December 2016 onward is assumed as an effect of Annual Increment. The Employees Retirement Benefits as per the Petitioner are based on the average of annual increase in the last three years audited figures.

10.4 The Authority while assessing the Pay & Allowances & other benefits (*excluding post-retirement benefits, discussed below*) for the FY 2017-18, has taken into account the impact of GOP's recent announcement of 10% increase as ad-hoc allowance, 5% annual increment and merging ad-hoc relief of 2010 in running basic pay as per GOP notification. For the remaining heads, change in CPI-General of 5.02% has been assumed. By incorporating the aforementioned increases on the Petitioner actual expenses for the FY 2016-17, the Pay & Allowances & other benefits of the Petitioner for the FY 2017-18 works out as Rs.618 million. The same is hereby allowed under the



head of Pay & Allowances & other benefits (*excluding post-retirement benefits*) for the FY 2017-18.

Post-Retirement Benefits

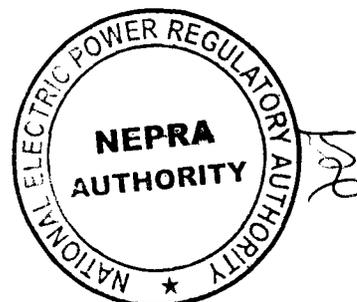
- 10.5 Regarding post-retirement benefits, the Petitioner has not separately requested any amount rather has included the same in its salaries & wages costs. The Authority in its tariff determination of FY 2014-15 and FY 2015-16 directed the Petitioner to create a separate registered post retirement fund. The Petitioner during hearing of the tariff Petition for the FY 2016-17 submitted that a firm is being engaged for the purpose, however, no further update in the matter has been provided by the Petitioner either in its instant petition i.e. FY 2017-18 or afterwards during the hearing. Considering the importance of the matter, the Petitioner is once again directed to ensure completion of actuarial valuation of its post-retirement benefits while finalizing its financial statement and create a separate independent post retirement fund latest by December 31, 2018, failing which the Authority may initiate proceedings against the Petitioner under the relevant rules.
- 10.6 On the issue of retired WAPDA employees before 1998, the Authority in its determination of the Petitioner for FY 2014-15, decided that the post retirement benefit cost until 30th June, 2014 shall be borne by WAPDA (Hydel) and subsequent cost shall be borne by XWDISCOs without claiming any receivables from WAPDA (Hydel). However, the Petitioner in its financial statements for the FY 2016-17, has not clearly indicated whether the amount of post-retirement benefits paid during the FY 2016-17 i.e. Rs.169 million is inclusive of the payments made to Ex-Wapda Pensioners or otherwise.
- 10.7 In view thereof the Authority has decided to restrict the amount of post-retirement benefits only to the extent of amount actually paid by the Petitioner during FY 2016-17 as per its financial statements, by applying thereon the GoP budgetary increase, which works out as Rs.186 million. However, considering the Petitioner's requested amount of Rs.180 million reasonable, the same is hereby allowed on account of postretirement benefits for the FY 2017-18 including payments for the Ex-Wapda pensioners.
- 10.8 **Repair & Maintenance** expenses of Rs. 52 million have been assumed by the Petitioner @1.35% of the net fixed assets of Rs. 3,844 million for the FY 2017-18. The Petitioner further submitted that it has to maintain its old and over loaded system in order to ensure

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un-interrupted power supply to the consumers, moreover cost of material has also increased due to inflationary pressure.

- 10.9 The Authority considers that the Petitioner though requested to link the net fixed assets with the repair & maintenance cost, however, it failed to provide any justification with regard to the 1.35%. The Authority considers that if R&M cost has to be linked with GFAs then the key element would be the age of asset. The Authority in this regard has observed that the petitioner has not provided any data indicating the age of assets, and therefore it can be construed that proper Assets Tagging is not being carried out by the Petitioner. The Authority therefore directs the Petitioner to maintain a proper record of its assets by way of tagging each asset for its proper tracking.
- 10.10 Despite the aforementioned observations, the Authority believes that adherence to the service standards and improvement of customer services is only possible through continuous repair and maintenance of distribution network. The Authority noted that an amount of Rs.27 million was allowed to the Petitioner for the R&M during FY 2016-17, however, its actual expenses, as per its Audited Financial statements for the FY 2016-17, were around Rs.43 million (*excluding repair of vehicles, discussed separately*), which pertained to R&M of 132 and 66 KV grids/ Equipment, R&M of GSS/ Transmission Lines and non-residential buildings. Considering the Petitioner's actual results for the FY 2016-17, its network conditions being old and over loaded, increase in cost of material, and comparison with other DISCOs, the Authority, has decided to allow an amount of Rs.49 million (*excluding repair of vehicles, discussed separately*) for the FY 2017-18 under the head of R&M.
- 10.11 **Vehicle Running Expenses** has been projected as Rs.12 million for the FY 2017-18. Here it is pertinent to mention that the Petitioner has also requested an amount of around Rs.3 million regarding repair of vehicles under the head of Repair & maintenance. The Petitioner while justifying the requested amount stated that most of the vehicles are old and have completed useful life of 10 years & need major overhauling. Financial position of TESCO does not allow us to replace them with new vehicles. The Petitioner further stated that it is left with no option but to maintain them.
- 10.12 The Authority is cognizant of the fact that vehicle maintenance cost is not only affected by the fuel prices but also with the number of vehicles, their age and conditions, which in turn is dependent on the distribution area of the DISCO. The Authority is also aware of the old / deteriorated vehicle conditions of the Petitioner and its vast distribution



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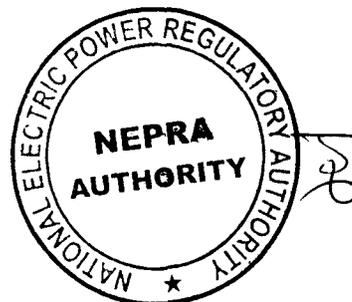
area. The Authority noted that the Petitioner's actual expenditure under the head of vehicle repair & maintenance, as per the financial statements for the FY 2016-17, is around Rs.11 million. In view thereof and based on the available evidence/information, past trend, fuel price fluctuations and comparison with other XWDISCOs, the Authority has decided to allow the amount of Rs.15 million, as requested by the Petitioner, under the head of vehicle repair & maintenance for the FY 2017-18.

Travelling Expenses

- 10.13 The Petitioner has requested an amount of Rs.18 million for the FY 2017-18 under the head of transportation. However, no further detail / rational of the requested amount has been provided.
- 10.14 The Authority assessed Rs.19.26 million for travelling during FY 2016-17 against which the actual expenses as per its financial statements remained only Rs.11 million. Therefore, in view of last year's expenses, the Authority decided to make its assessment based on the actual past trend for the last three years and comparison with other XWDISCOs in this regard. Accordingly, an amount of Rs.12 million under the head of traveling is hereby assessed for the FY 2017-18 in the instant case.

Other Expenses

- 10.15 The Petitioner requested Rs.99 million for the FY 2017-18, pertaining to the expenses like Power, Light, Rent, Management fee, Postage, telephone, NEPRA License & Tariff petition Fee, Insurance charges, Professional fees to lawyers, Photostat charges, cleaning material, office stationery, bonus and other miscellaneous charges.
- 10.16 The Authority observed that the Petitioner's actual other expenses for the FY 2016-17 as per its financial statements remained at around Rs.42 million, which included Rs.21 million as other charges by PEPCO. Here it is pertinent to mention that no such cost has been reported in its financial statements in previous years i.e. FY 2013, 2014, 2015 and 2016. The Petitioner has not provided any details with respect to the nature and period to which this cost pertains. Therefore, while making its assessment of Other Expenses for the FY 2017-18, the Authority has also taken this fact into consideration. The Petitioner's requested amount of Rs.99 million for the FY 2017-18, around 135% higher than its actual cost of Rs.42 million incurred during the FY 2016-17, for which no justification has been provided by the Petitioner. The Authority assessed an amount of Rs.30 million under the head for the FY 2016-17 whereas, its actual expenses for the same period without accounting for the PEPCO charges remained around Rs.21 million. Accordingly, considering the Petitioner's past trend, impact of inflation and comparison with the other XWDISCOs, the Authority has assessed an amount of Rs.22 million under this head for the FY 2017-18. Further, if the Petitioner incurs any PEPCO charges, the



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Authority may consider the same, once the Petitioner provides details with respect to the nature and period of such costs.

- 10.17 Regarding **Other Income**, the Petitioner submitted that main sources of other income include Interest Income, Sale of Scrap, Amortization of Deferred Credit, Rental & Service Income etc. The Petitioner assumed Rs. 715 million as Other Income for the FY 2017-18 based on the accounts of 2016-17.
- 10.18 As per the Tariff Methodology, Other Income may be determined in a manner that is consistent with the base year. Other income may be considered to be a negative other 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. Other income will be monitored to identify trends. The Authority considering the Petitioner's previous trend, considers the amount requested by the Petitioner as reasonable and accordingly other income of Rs.715 million is hereby accepted for FY 2017-18.
- 10.19 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.
- 10.20 The Authority noted that CPPA-G has still not raised any invoice to the Petitioner on account of late payment charges pertaining to the FY 2015-16 and FY 2016-17, therefore, the amount of LPS allowed to be retained by the Petitioner during FY 2015-16 and FY 2016-17 shall be adjusted once CPPA-G raises the late payment charges invoice to the Petitioner.

11. Issue # 5: Whether the requested wheeling charges, merits consideration?

- 11.1 The Petitioner in its instant petition has requested an amount of Rs.2,521 million on account of wheeling charges. However, no working/ supportive evidence and justification has been provided by the Petitioner.
- 11.2 The Petitioner is using both 11kV and 132 kV transmission lines of PESCO, consequently the Wheeling charges payable to PESCO are calculated according to the following formula given in the tariff determination of PESCO for the FY 2016-17;

$$\begin{aligned} \text{UOSC} &= \text{DM (Gross)} \times (1 - L) / (1-0.09) \times \text{AFI (TD)} && \text{Paisa/kWh} \\ \text{Where} \quad \text{DM (Gross)} &= && 1.77 \\ &L && = 26\% \end{aligned}$$

AFI (TD) = Adjustment Factor for Investment at both 132 kV and 11 kV level i.e. 63%



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- 11.3 During the previous discussions on the issue of wheeling, the Authority issued several directions in order to settle and refine the issue of wheeling between CPPA-G and DISCOs i.e. MEPCO, PESCO and TESCO.
- 11.4 The summary of directions are as under;
- i. CPPA-G to bill TESCO independently which has been already considered by CPPA-G.
 - ii. Considering the amount of PESCO payables standing in the books of TESCO, the Petitioner was directed to come up with a concrete plan for its payment with the consent of PESCO.
 - iii. To undertake measures to separate joint grids and have separate / independent grids for TESCO consumers.
 - iv. A meeting was held in June 2016, whereby all XWDISCOs agreed that they will submit a report on wheeling issue with respect to inter Disco T&D losses in consultation with CPPA-G. Authority in order to address the issue held two meetings i.e. on 16th January and 1st April, 2014 involving representatives of TESCO, PESCO, MEPCO, CPPA-G and the professionals of NEPRA.
- 11.5 Except direction (i), nothing has been submitted by the Petitioner with respect to compliance of the aforementioned directions.
- 11.6 In view of the aforementioned, the Authority has decided to conduct a meeting involving all the stakeholders before December 31, 2018 and adjudicate the matter in subsequent decision of the Authority. However, in the meantime the Authority has decided to allow the wheeling charges to the Petitioner on provisional basis. The Authority accordingly has assessed wheeling charges of Rs.2,234 million for the Petitioner for the FY 2017-18.

12. Issue # 6: Whether the proposed depreciation charges for the FY 2017-18 is justified?

- 12.1 The Petitioner in its instant petition requested an amount of Rs.247 million under the head of depreciation. The Petitioner submitted that depreciation for FY 2017-18 is calculated on the basis of the value of existing assets plus the additions in assets during the FY 2017-18. As per the Petitioner, the assets are depreciated on straight line method as per utility practice. However, no further justification has been provided by the Petitioner.
- 12.2 In order to make fair assessment, the Authority has considered the investments approved by it for the Petitioner for the FY 2017-18 and the amount to be capitalized out of the allowed investments. After taking into account the new capitalization to be made during



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the FY 2017-18, the Authority observed the amount requested by the Petitioner under Depreciation as reasonable and accordingly the same i.e. Rs.246 million is allowed for the FY 2017-18.

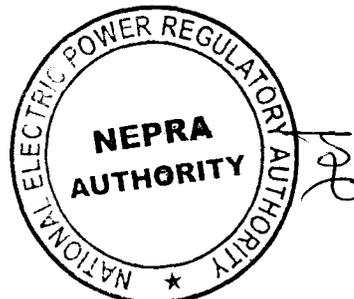
12.3 The Authority also has assessed, after careful examination of the relevant details and information pertaining to the deferred credit and amortization as per the accounts for the FY 2016-17, amortization of deferred credit to the tune of Rs.246 million for the FY 2017-18, which will be adjusted from the total revenue requirement of the Petitioner through other income.

13 Issue # 7: Whether the projected Return on Regulatory Asset base (RORB) for the FY 2017-18 is justified?

13.1 The Petitioner has requested an amount of Rs.549 million for the FY 2017-18 by using a Rate of Return of 11.83%, as detailed hereunder;

Description	Rs. in Million
	FY 2017-18 Projected
Gross Fixed Assets in Operation - Opening Balance	6,628
Addition in Fixed Assets	319
Gross Fixed Assets in Operation - Closing Balance	6,947
Less : Accumulated Depreciation	(3,103)
Net Fixed Assets in Operation	3,843
Add: Capital Work In Progress - Closing Balance	4,176
Investment in Fixed Assets	8,019
Less : Deferred Credits	(3,200)
Regulatory Assets Base	4,819
Average Regulatory Assets Base	4,644
Rate of Return	11.83
Return on Rate Base	549

13.2 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. Since the Authority uses Plain Vanilla WACC, hence the impact of tax shield is taken as zero, and in case any tax is paid it is treated as pass through. As per the 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. Accordingly for the purpose of assessment of WACC of the Petitioner for the FY 2017-18, the Authority in accordance with the approved methodology has decided to consider the capital structure of 70:30 (debt:equity) ratio.

- 13.3 The Authority observed that for the FY 2016-17, the Petitioner was allowed RoE of 16.67%, wherein the Market Risk Premium was considered as 7% with a Beta of 1.10 and Risk Free Rate was allowed as 8.965%.
- 13.4 The Authority considers that there being no major change in the economic indicators of the country in term of Risk Free rate and the Market Risk premium as compared to FY 2016-17, therefore, the RoE allowed to the Petitioner for the FY 2016-17 still holds good. Accordingly, for the FY 2016-17, the Authority has decided to allow ROE of 16.67%.
- 13.5 As regard the cost of debt, the Authority understands that 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. The Authority, in line with its decision in the matter of other XWDICSOs has decided to allow the same cost of Debt to the Petitioner i.e. 9.76%.
- 13.6 Consequent to the aforementioned discussion, the Authority has worked-out the WACC as below;

$$WACC = [K_e \times (E / V)] + [K_d \times (D / V)]$$

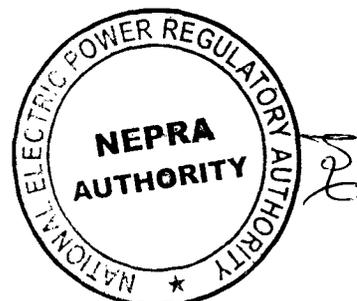
Where E/V and D/V are equity and debt ratios respectively taken as 30% and 70%;

$$WACC = \{16.67\% \times 30\%\} + \{9.76\% \times 70\%\} = 11.83\%$$

- 13.7 Accordingly by using rate of return of 11.83%, the Authority has assessed Rs.195 million as return on rate base as per the following calculations;

Description	Rupees in Million	
	FY 2016-17 Actual	FY 2017-18 Projected
Opening fixed assets in operation	6,339	6,628
Assets Additions during the year	289	490
Closing Fixed Assets in Operation	6,628	7,118
Less: Accumulated Depreciation	2,856	3,101
Net Fixed Assets in operation	3,772	4,017
+ Capital Work in Progress (Closing)	3,796	4,076
Total Fixed Assets	7,568	8,093
Less: Deferred Credit	6,097	6,272
Total	1,471	1,820
Average Regulatory Assets Base		1,646
Return on Rate Base @ 11.83%		195

- 13.8 The Authority while going through the Financial Statements of the Petitioner for the FY 2016-17 noted that the Petitioner has insufficient cash & bank balances as on 30th

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June 2017 against its pending liability of receipt against deposit works and consumer security deposits. The insufficient cash balance indicates that the amount received against the aforementioned heads has been utilized somewhere else and the Petitioner failed to provide details in this regard. The Authority considers that the amount collected as security deposit cannot be utilized for any other reason and any profit earned thereon has to be distributed to the consumers. Similarly, the amount collected under the head of receipt against deposit works has to be spent for the purpose for which it has been collected. The utilization of the money collected against deposit works and security deposits other than the works for which it has been received is illegal and unlawful. The Petitioner has to provide rational / justification for improper utilization of the money because the consumers have to suffer unnecessary delay on this account.

13.9 In view of the aforementioned reasons, the Authority considers that it will be unfair and unjust for the consumers to suffer due to the unlawful act of the Petitioner. Accordingly, the Authority has decided, to include the entire amount of receipts against deposit works and consumer security deposits after adjusting the amount of cash & bank balances and the amount of stores & spares available with the Petitioner as in June 30, 2017, as part of Deferred Credits for the assessment of RAB for FY 2017-18. The Authority directs the Petitioner to ensure that in future consumer's deposits are not utilized for any other purpose. The Petitioner is also directed to restrain from unlawful utilization of receipts against deposit works and security deposits, failing which, the proceedings under the relevant law may be initiated against the Petitioner. The Petitioner is also directed to give clear disclosures in its Financial Statements with respect to the consumer financed spares and stores, work in progress and cash & bank balance.

14 **Issue # 8: Whether the request of allowing Financial Cost as a separate item along with WACC is justified?**

14.1 The Petitioner has requested financial cost to the tune of Rs. 41 million, in addition to the RoRB requested by the Petitioner. However, the Petitioner did not provide any detail or justification to the nature of these requested financial charges. The Petitioner also mentioned that its actual financial charges for the FY 2016-17 were Rs.37 million.

14.2 The Authority observed that Rate of Return (WACC) allowed to the Petitioner includes both the cost of equity as well as the cost of debt, on the Regulatory Asset Base of the Petitioner, thus caters for the financial cost incurred by the Petitioner on loans taken for the purpose of investments. Therefore, the request of the Petitioner for allowing financial charges separately does not merit consideration.



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15 **Issue # 9: Whether the Petitioner's proposed Investment Plan for the FY 2017-18, is justified, keeping in view the prospective benefits?**

15.1 The Petitioner requested the following investment for the FY 2017-18

GROSS	Rs. in Mln
	2017-18 Projected
Capital Contribution	319
Deposit Work	451
RE	-
Installation of TOU / AMR Meters	-
STG	-
Total investment	770

15.2 The Authority considering the fact that investment amount requested by the Petitioner is through consumer contribution and does not have any financial impact on consumers through tariff, therefore, the same is hereby allowed.

16 **Issue # 10: Whether the prior year adjustment for FY 2016-17 is accurate?**

16.1 The Petitioner neither in its petition nor during the hearing has requested any amount under the head of Prior Period Adjustment.

16.2 Subsequently, TESCO, submitted its request for adjustment of Power Purchase Price for the period from July to June 2018, vide letter dated August 10, 2018 on account of following;

- i. Capacity Charges
- ii. Use of System Charges
- iii. Variable O&M
- iv. T&D losses

16.3 The Authority in exercise of its suo moto powers, vide its decision dated October 23, 2017 allowed the impact of periodical adjustments on account of Power Purchase Price (PPP) including impact of T&D losses on FCA and Prior Year Adjustment (PYA) pertaining to the FY 2016-17 in the consumer end tariff of TESCO and the same was also intimated to the Federal Government for notification in the official gazette.



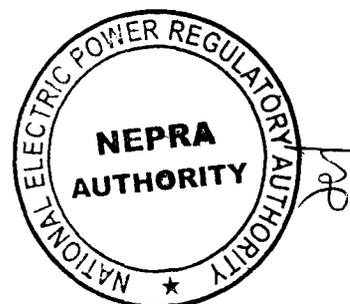


- 16.4 The Federal Government vide SRO.383 (I)/2018 dated March 22, 2018 notified the Tariff determination of TESCO for the FY 2016-17 along-with periodical adjustments on account of PPP pertaining to the FY 2016-17 with immediate effect. The said SRO also contains a mechanism providing for periodic adjustments.
- 16.5 The Authority being cognizant of the fact that the period for which adjustment is being sought by the Petitioner i.e. July 2017 to June 2018, has already lapsed and variations on account of PPP (*including impact of T&D losses on FCA*) have not yet been recovered/ passed on to the consumers. The Authority believes that any such variations needs to be passed on to the consumers in order to ensure financial viability of the sector, which otherwise would result in huge prior period adjustments, thus, resulting in consumer end tariff distortions.
- 16.6 Accordingly, the Authority, based on the available actual data for the period July 2017 to June 2018, as provided by CPPA-G, and in accordance with the above referred notified mechanism, worked out the following PPP adjustments (*including impact of T&D losses on FCA*) for the FY 2017-18;

Description	TESCO
FUEL COST	
Actual Fuel Cost	9,076
Fuel Cost Recovered	11,969
FCA that should have been passed on	(2,893)
FCA actually passed on	2,244
FCA still to be passed on	(649)
VARIABLE O&M	
Cost billed by CPPA-G	490
Variable O&M recovered	482
Under / (Over) Recovery	8
CAPACITY CHARGES	
Cost billed by CPPA-G	6,034
Capacity Charges recovered	5,010
Under / (Over) Recovery	1,025
USE OF SYSTEM CHARGES	
Cost billed by CPPA-G	488
UoSC recovered	491
Under / (Over) Recovery	(3)
Impact of Recovery on Annual PPP Rate	116
Total (Under) / Over recovered PPP	497

- 16.7 The Authority through afore referred Suo moto decision dated October 23, 2017 while allowing the impact of periodical adjustments on account of Power Purchase Price (PPP)

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including impact of T&D losses on FCA, allowed Prior Year Adjustment (PYA) pertaining to the FY 2016-17 in the consumer end tariff of the Petitioner. However, the said tariff was only notified w.e.f. March 22, 2018, thus the Petitioner could not recover the total amount of PYA. The Authority has adjusted the impact of the same in the instant decision.

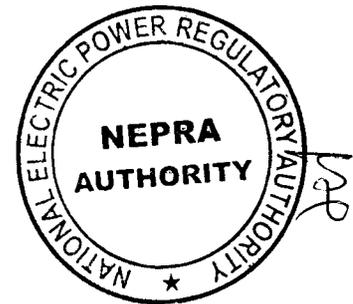
- 16.8 Regarding PYA to the extent of under/ over recovery of the assessed Distribution Margin, Other Income and Sales Mix Variance pertaining to the FY 2016-17, the Authority has worked out the same and the said amount has also been accounted for while assessing the PYA.
- 16.9 Here it is pertinent to mention that CPPA-G vide its letter dated March 20, 2018 revised the PPP cost billed to the Petitioner during the FY 2016-17, whereby, a reduction of around Rs.343 million has been reported by CPPA-G to the extent of cost charged to the Petitioner. The same amount has also been adjusted while assessing the PYA.
- 16.10 Based on the aforementioned discussion, a total negative PYA of Rs.595 million has been assessed for the Petitioner for the FY 2017-18 as detailed below;

Description	Rs. in Mln
Under / (Over) recovered PPP FY 2017-18 (as calculated above)	497
Under / (Over) recovered DM FY 2016-17 & FY 2017-18	(724)
Revision in PPP by CPPA-G for the FY 2016-17	(343)
Negative Sales Mix FY 2016-17	(25)
TOTAL PYA	(595)

- 16.11 In view thereof, the aforementioned negative adjustment of Rs.595 million has been included in the revenue requirement of the Petitioner.
- 16.12 Here it is pertinent to mention that for the FY 2015-16 and FY 2016-17, the Authority while determining the Revenue Requirement of the Petitioner, did not include the amount of LPS while assessing the other income, in line with its earlier decision in this regard. The Authority noted that CPPA-G has still not raised any invoice to the Petitioner on account of late payment charges pertaining to the FY 2015-16 and FY 2016-17, therefore, the amount of LPS allowed in the FY 2015-16 and FY 2016-17 is still available with the Petitioner. However, same shall be adjusted upon receipt of late payment invoice from CPPA-G to the Petitioner.



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17 Issue # 11: Whether the tariff petition substantially complies with NEPRA Determination of Consumer-end Tariff (Methodology and Process) Guidelines, 2015?

17.1 Although, the Petitioner did not provide any response on the issue, however, the Authority has observed several deviations from the minimum filing requirements indicated in the Methodology particularly with respect to CoSS, Investments, Generation plan and losses etc. The Petitioner is required to fulfil all the requirements as provided in the Methodology while filing the next tariff petition.

18 REVENUE REQUIREMENT

18.1 Based on the assessments made in the preceding paragraphs the Revenue Requirement for the FY 2017-18 is assessed as per the following details;

1.	Power Purchase Price	Rs. 20,115 Million
	CpGenE	Rs. 7,538 Million
	CpGenCap	Rs. 11,844 Million
	USC/ MOF	Rs. 734 Million
2.	Distribution Margin –Net (D.M)	Rs. 2,855 Million
	O&M Cost	Rs. 896 Million
	Depreciation	Rs. 246 Million
	RORB	Rs. 195 Million
	Wheeling Charges	Rs.2,234 Million
	Gross DM	Rs. 3,570 Million
	Less: Other Income	Rs. 715 Million
	Negative Prior Year Adjustment	Rs. (595) Million
	Total Assessed Revenue Requirement	Rs. 22,377 Million

18.2 Based on the projected sales of 1,736 GWh for the FY 2017-18, the Petitioner's average sale rate works out as Rs.12.89/kWh, consisting of Rs.11.59/kWh of adjusted PPP, Rs.1.64/kWh of DM and Rs.(0.34)/kWh of Prior Year Adjustment.

18.3 This revenue would be recovered from the consumers during the FY2017-18, through the projected sales of 1,736 GWhs, as per Annex –II.

19 ORDER

19.1 From what has been discussed above, the Authority hereby determines the tariff of the Petitioner Company for the Financial Year 2017-18 as under :-



- I. Tribal Areas Electricity Supply Company Limited (TESCO) is allowed to charge its consumers such tariff as set out in the schedule of tariff for TESCO annexed to the determination.
- II. The actual variation in fuel cost component of power purchase price against the reference fuel cost component shall be adjusted on monthly basis without taking into account the T&D losses. The monthly fuel price adjustment shall be based on the actual information submitted by CPPA (G), adjustment of remaining components of PPP will be adjusted biannually. Here it is pertinent to mention that while making biannual adjustments of the PPP, the Authority may rationalize the SoT accordingly.
- III. TESCO is allowed to charge the users of its system a "Use of system charge" (UOSC) equal to:

i) Where only 132 kV system is involved

$$UOSC = DM(Gross) \times \frac{(1-L)}{(1-0.04)} \times AFI(T) \quad \text{Paisa / kWh}$$

ii) Where only 11 kV distribution systems is involved.

$$UOSC = DM(Gross) \times \frac{(1-L)}{(1-0.05)} \times AFI(D) \quad \text{Paisa / kWh}$$

iii) Where both 132 kV and 11 kV distribution systems are involved.

$$UOSC = DM(Gross) \times \frac{(1-L)}{(1-0.09)} \times AFI(TD) \quad \text{Paisa / kWh}$$

Where:

Gross Distribution Margin for FY 2017-18 is set at Rs.2.06/kWh (without excluding impact of other income)

'L' is the overall percentage loss assessment for the respective year.

AFI (T) = Adjustment factor for investment at 132 kV level i.e.51%

AFI (D) = Adjustment factor for investment at 11 kV level i.e. 28%.

AFI (TD) =Adjustment factor for investment at both 132 kV & 11 kV level i.e. 79%.

- IV. The residential consumers will be given the benefit of only one previous slab.
- V. T&D losses target of 12.47% has been assessed for TESCO for the FY 2017-18.
- VI. Total investment of Rs.770 million has been approved.

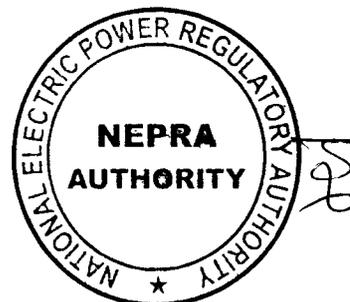




- VII. The SoT attached with the instant decision of the Authority, includes column of PYA 2016 and PYA 2107, which are already notified vide SRO.383/(I)/2018 dated March 22, 2018 and would continue to be notified till March 21, 2019. The aforementioned columns have been reproduced for the purpose of clarity only. If the competent Authority decides to re-notify the aforementioned columns with the instant SoT, the aforementioned columns shall remain notify till March 21, 2019 only and would cease to exist thereafter.
- VIII. Tariff under Colum A and F shall remain applicable till March 21, 2019 only and thereafter only Column A, B and C shall remain applicable. Column C shall also cease to exist after one year from the date of notification of this decision and thereafter only Column A and B shall remain applicable till the same is superseded by next notification.
- IX. The Order part, Annex-I, I-A, II, III, IV and V annexed with determination is intimated to the Federal Government for notification in the official gazette under Section 31(7) of the NEPRA Act.

TARIFF COMPONENT	Assessed Cost FY 2017-18	ADJUSTMENTS/ ASSESSMENT	TIME LINES
POWER PURCHASE PRICE			
Energy Purchase Price			
Fuel Cost	7,003	Monthly, as per the approved mechanism.	Data to be provided by CPPA (G) by 3 rd of close of the month
Variable O&M	534	Quarterly/Biannually, as per the approved mechanism.	Request to be furnished by the Petitioner not later than 10 th July and 10 th January, as the case may be.
Capacity Charges	11,844	Quarterly/Biannually, as per the approved mechanism.	Request to be furnished by the Petitioner not later than 10 th July and 10 th January, as the case may be.
Use of System Charges/Market Operator Fee	734	Quarterly/Biannually, as per the approved mechanism.	Request to be furnished by the Petitioner not later than 10 th July and 10 th January, as the case may be.
T&D Losses	12.47%	Quarterly/Biannually, as per the approved mechanism.	Request to be furnished by the Petitioner not later than 10 th July and 10 th January, as the case may be.
NET DISTRIBUTION MARGIN	2,855		
O&M Cost			
Salaries, wages & other benefits	618	Annually	On the basis of next year tariff petition.
Post-Retirement benefits	180	----do----	----do----
Repair and Maintenance	49	----do----	----do----
Other operating expenses <i>(Including wheeling charges)</i>	2,332	----do----	----do----

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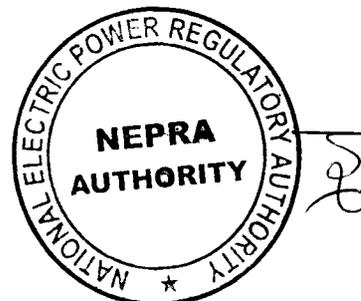


Depreciation	246	----do----	----do----
Return on Rate Base	195	----do----	----do----
Other Income	(715)	----do----	----do----
Prior Year Adjustment	(595)	----do----	----do----

20 Summary of Direction

The summary of all the directions passed by the Authority are reproduced hereunder;

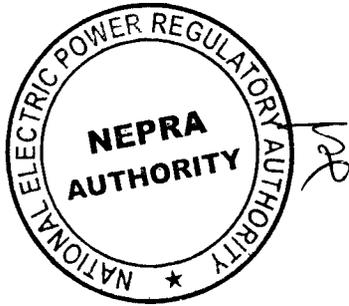
- i. To provide Completion report of separation of its feeders from PESCO by December 31, 2018.
- ii. To complete the installation of TOU meters for the remaining consumer categories by December 31, 2018.
- iii. To provide details of the actual investments carried out during the FY 2014-15, FY 2015-16 and FY 2016-17 along with their corresponding benefits, not later than December 31, 2018.
- iv. To get Actuarial valuation of its post-retirement benefits and creation of separate independent post retirement fund latest by December 31, 2018.
- v. To segregate of its cost between travelling and vehicle maintenance cost in its financial statements for the FY 2016-17 and onwards.
- vi. To Disclose LPC amount separately in its financial statements for the FY 2016-17 and onwards.
- vii. To provide a workable plan, with the consent of PESCO on the issue of payables, to ensure disposing of its liability in this regard latest by December 31, 2018.
- viii. To come up with a concrete recovery plan and also to take up the matter at the level of Provincial and Federal governments for administrative, political and law enforcing agencies assistance and to provide the latest status/ update in the matter of letter written to GoP for information/ consideration of the Authority.
- ix. To complete the process of installation of meters for the unmetered connections and printing of meter reading snapshots on the bills simultaneously and to share its progress in this regard with the Authority on quarterly basis.
- x. To stagger its investment plan in stages, which should be in line with its plan of installing meters on non-metered connections and to submit its investment needs in this regard along with the installation of meters, not later than December 31, 2018.
- xi. To complete the installation of AMRs/ AMIs System and to ensure installation of AMR/ AMIs latest by December 31, 2018.
- xii. To provide clear disclosure with respect to the consumer financed spares and stores, work in progress and cash & bank balance in financial statements for the FY 2016-17 and onwards.





- xiii. To share TORs and technical details of the study in respect of T&D losses already being undertaken and update the Authority on the latest progress of the study by December 30, 2018.
- xiv. To undertake village electrification without augmentation of the grid only, if it already has spare MVAs.

5



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

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

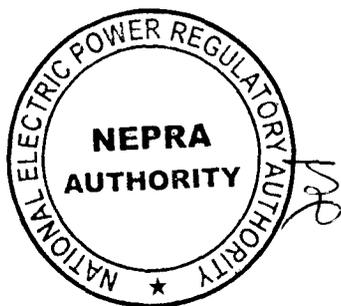
Where:

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 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 as per Annex-IV of the determination;

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



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QUARTERLY/BIANNUAL ADJUSTMENT MECHANISM

Quarterly/ Biannual 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;

$$\text{Quarterly/Biannual PPP}_{(Adj)} = \frac{\text{PPP}_{(Act)} \text{ (excluding FCC)} - \text{PPP}_{(Ref)} \text{ (excluding FCC)}}{(1 - \text{T\&D Loss \%}) \times (1 - \text{Life line Consumption \%})}$$

Where;

PPP_(Act) is the actual cost in Rs./kWh, excluding FCC, invoiced by CPPA-G to XWDISCOs, adjusted for any cost disallowed by the Authority.

PPP_(Ref) is the reference cost in Rs./kWh as per the Annex-IV of the XWDISCOs determination that remained notified during the period.

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

Quarterly/Biannual impact of T&D losses on FCA_(Adj)

$$= \left[\frac{\text{FCA}_{(Allowed)}}{(1 - \text{T\&D Loss \%}) \times (1 - \text{Life line Consumption \%})} \right] - \text{FCA}_{(Allowed)}$$

Where;

FCA_(allowed) 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.



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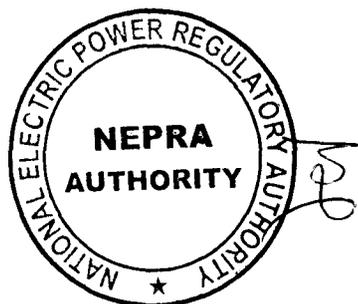
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TRIBAL AREAS ELECTRICITY SUPPLY COMPANY LIMITED (TESCO)
Estimated Sales Revenue on the Basis of New Tariff

Description	Sales		Revenue			Base Tariff				PYA 2016		PYA 2017		PYA 2018		Total Tariff	
	GWh	% Mix	Fixed Charge	Variable Charge	Total	Fixed Charge	Variable Charge	Variable Charge	Variable Charge	Amount	Variable Charge	Amount	Variable Charge	Fixed Charge	Variable Charge	Fixed Charge	Variable Charge
Residential																	
Up to 50 Units	16	0.93%	-	84	64	-	4.00	-	-	-	-	-	-	-	-	-	4.00
For peak load requirement less than 5 kW																	
01-100 Units	368	21.28%	-	3,971	3,971	-	10.75	(0.35)	(129)	106	0.43	173	0.70	-	-	-	11.53
101-200 Units	207	11.91%	-	2,682	2,682	-	12.97	(0.33)	(88)	60	0.43	97	0.70	-	-	-	13.77
201-300 Units	328	18.88%	-	4,562	4,562	-	13.92	(0.34)	(111)	94	0.43	156	0.71	-	-	-	14.72
301-700 Units	375	21.80%	-	5,389	5,389	-	14.37	(0.35)	(131)	106	0.42	191	0.72	-	-	-	15.16
Above 700 Units	186	10.72%	-	2,837	2,837	-	15.25	(0.35)	(85)	54	0.43	88	0.71	-	-	-	16.04
For peak load requirement exceeding 5 kW)																	
Time of Use (TOU) - Peak	0	0.00%	-	-	-	-	15.25	(0.35)	-	-	0.43	-	0.70	-	-	-	16.03
Time of Use (TOU) - Off-Peak	0	0.00%	-	-	-	-	10.75	(0.35)	(0)	0	0.43	0	0.70	-	-	-	11.53
Temporary Supply	0	0.00%	-	-	-	-	15.25	(0.35)	(0)	0	0.43	0	0.70	-	-	-	18.03
Total Residential	1,481	85.31%	-	19,508	16,605	-	13.17	(0.35)	(808)	420	0.43	898	0.70	-	-	-	16.03
Commercial - A2																	
For peak load requirement less than 5 kW	10	0.57%	-	152	152	-	15.25	(0.35)	(3)	3	0.43	5	0.70	-	-	-	16.03
For peak load requirement exceeding 5 kW																	
Regular	0	0.00%	-	-	-	-	400.00	13.25	(0.35)	-	-	0.43	-	0.70	-	-	14.03
Time of Use (TOU) - Peak	0	0.00%	-	-	-	-	15.25	(0.35)	-	-	0.43	-	0.70	-	-	-	16.03
Time of Use (TOU) - Off-Peak	0	0.00%	0	0	0	400.00	10.75	(0.35)	(0)	0	0.43	0	0.70	0	-	-	11.53
Temporary Supply	0	0.00%	-	-	-	-	15.25	(0.35)	-	-	0.43	-	0.70	-	-	-	16.03
Total Commercial	10	0.57%	0	152	152	-	15.25	(0.35)	(3)	3	0.43	5	0.70	-	-	-	16.03
General Services-A3																	
	52	3.00%	-	718	718	-	13.80	(0.38)	(18)	18	0.43	24	0.70	-	-	-	14.58
Industrial																	
B1	16	0.92%	-	179	179	-	11.25	(0.35)	(6)	5	0.43	7	0.70	-	-	-	12.03
B1 Peak	0	0.00%	-	-	-	-	15.25	(0.35)	-	-	0.43	-	0.70	-	-	-	16.03
B1 Off Peak	0	0.00%	-	-	-	-	10.75	(0.35)	-	-	0.43	-	0.70	-	-	-	11.53
B2	22	1.29%	40	241	280	400.00	10.75	(0.35)	(8)	8	0.43	10	0.70	0	-	-	11.53
B2 - TOU (Peak)	0	0.00%	-	-	-	-	15.25	(0.35)	-	-	0.43	-	0.70	-	-	-	16.03
B2 - TOU (Off-peak)	0	0.00%	-	-	-	400.00	10.55	(0.35)	-	-	0.43	-	0.70	-	-	-	11.33
B3 - TOU (Peak)	20	1.18%	-	306	306	-	15.25	(0.35)	(7)	8	0.43	9	0.70	-	-	-	16.03
B3 - TOU (Off-peak)	41	2.35%	88	427	495	380.00	10.45	(0.35)	(14)	12	0.43	19	0.70	0	-	-	11.23
B4 - TOU (Peak)	0	0.00%	-	-	-	-	15.25	(0.35)	-	-	0.43	-	0.70	-	-	-	16.03
B4 - TOU (Off-peak)	0	0.00%	-	-	-	380.00	10.35	(0.35)	-	-	0.43	-	0.70	-	-	-	11.13
Temporary Supply	0	0.00%	-	-	-	-	11.25	(0.35)	(0)	0	0.43	0	0.70	-	-	-	12.03
Total Industrial	99	5.72%	107	1,183	1,280	-	11.25	(0.35)	(38)	29	0.43	47	0.70	-	-	-	12.03
Single Point Supply for further distribution																	
C1(a) Supply at 400 Volts-less than 5 kW	1	0.07%	-	14	14	-	11.75	(0.35)	(0)	0	0.43	1	0.70	-	-	-	12.53
C1(b) Supply at 400 Volts-exceeding 5 kW	11	0.61%	18	119	138	400.00	11.25	(0.35)	(4)	3	0.43	5	0.70	0	-	-	12.03
Time of Use (TOU) - Peak	0	0.00%	-	-	-	-	15.25	(0.35)	-	-	0.43	-	0.70	-	-	-	16.03
Time of Use (TOU) - Off-Peak	0	0.00%	-	-	-	400.00	10.75	(0.35)	-	-	0.43	-	0.70	-	-	-	11.53
C2 Supply at 11 kV	0	0.00%	-	-	-	380.00	11.05	(0.35)	-	-	0.43	-	0.70	-	-	-	11.63
Time of Use (TOU) - Peak	0	0.00%	-	-	-	-	15.25	(0.35)	-	-	0.43	-	0.70	-	-	-	16.03
Time of Use (TOU) - Off-Peak	0	0.00%	-	-	-	380.00	10.55	(0.35)	-	-	0.43	-	0.70	-	-	-	11.33
C3 Supply above 11 kV	0	0.00%	-	-	-	360.00	10.95	(0.35)	-	-	0.43	-	0.70	-	-	-	11.73
Time of Use (TOU) - Peak	0	0.00%	-	-	-	-	15.25	(0.35)	-	-	0.43	-	0.70	-	-	-	16.03
Time of Use (TOU) - Off-Peak	0	0.00%	-	-	-	380.00	10.45	(0.35)	-	-	0.43	-	0.70	-	-	-	11.23
Total Single Point Supply	12	0.68%	18	133	151	-	11.25	(0.35)	(4)	3	0.43	8	0.70	-	-	-	12.03
Agricultural Tube-wells - Tariff D																	
Scarp	0	0.00%	-	-	-	-	11.25	(0.35)	-	-	0.43	-	0.70	-	-	-	12.03
Time of Use (TOU) - Peak	11	0.68%	-	174	174	-	15.25	(0.35)	(4)	3	0.43	5	0.70	-	-	-	16.03
Time of Use (TOU) - Off-Peak	11	0.68%	37	119	156	200.00	10.45	(0.35)	(4)	3	0.43	5	0.70	0	-	-	11.23
Agricultural Tube-wells	0	0.00%	-	-	-	200.00	10.75	(0.35)	-	-	0.43	-	0.70	-	-	-	11.53
Time of Use (TOU) - Peak	29	1.70%	-	450	450	-	15.25	(0.35)	(10)	8	0.43	14	0.70	-	-	-	16.03
Time of Use (TOU) - Off-Peak	29	1.70%	85	306	403	200.00	10.45	(0.35)	(10)	8	0.43	14	0.70	0	-	-	11.23
Total Agricultural	52	4.71%	132	1,051	1,183	-	11.25	(0.35)	(29)	24	0.43	38	0.70	-	-	-	12.03
Public Lighting - Tariff G	0	0.00%	-	-	-	-	11.25	(0.35)	-	-	0.43	-	0.70	-	-	-	12.03
Residential Colonies	0	0.00%	-	-	-	-	11.25	(0.35)	-	-	0.43	-	0.70	-	-	-	12.03
Sub-Total		0.80%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Contract - Tariff-J																	
J-1 For Supply at 66 kV & above	-	0.00%	-	-	-	360.00	10.95	(0.35)	-	-	0.43	-	0.70	-	-	-	11.73
Time of Use (TOU) - Peak	-	0.00%	-	-	-	-	15.25	(0.35)	-	-	0.43	-	0.70	-	-	-	16.03
Time of Use (TOU) - Off-Peak	-	0.00%	-	-	-	360.00	10.45	(0.35)	-	-	0.43	-	0.70	-	-	-	11.23
J-2 (a) For Supply at 11, 33 kV	-	0.00%	-	-	-	380.00	11.05	(0.35)	-	-	0.43	-	0.70	-	-	-	11.93
Time of Use (TOU) - Peak	-	0.00%	-	-	-	-	15.25	(0.35)	-	-	0.43	-	0.70	-	-	-	16.03
Time of Use (TOU) - Off-Peak	-	0.00%	-	-	-	380.00	10.55	(0.35)	-	-	0.43	-	0.70	-	-	-	11.33
J-2 (b) For Supply at 66 kV & above	-	0.00%	-	-	-	380.00	10.95	(0.35)	-	-	0.43	-	0.70	-	-	-	11.73
Time of Use (TOU) - Peak	-	0.00%	-	-	-	-	15.25	(0.35)	-	-	0.43	-	0.70	-	-	-	16.03
Time of Use (TOU) - Off-Peak	-	0.00%	-	-	-	380.00	10.45	(0.35)	-	-	0.43	-	0.70	-	-	-	11.23
J-3 (a) For Supply at 11, 33 kV	-	0.00%	-	-	-	380.00	11.05	(0.35)	-	-	0.43	-	0.70	-	-	-	11.63
Time of Use (TOU) - Peak	-	0.00%	-	-	-	-	15.25	(0.35)	-	-	0.43	-	0.70	-	-	-	16.03
Time of Use (TOU) - Off-Peak	-	0.00%	-	-	-	380.00	10.55	(0.35)	-	-	0.43	-	0.70	-	-	-	11.33
J-3 (b) For Supply at 66 kV & above	-	0.00%	-	-	-	380.00	10.95	(0.35)	-	-	0.43	-	0.70	-	-	-	11.73
Time of Use (TOU) - Peak	-	0.00%	-	-	-	-	15.25	(0.35)	-	-	0.43	-	0.70	-	-	-	16.03
Time of Use (TOU) - Off-Peak	-	0.00%	-	-	-	380.00	10.45	(0.35)	-	-	0.43	-	0.70	-	-	-	11.23
Total Revenue	1,736	100%	257	22,713	22,971	-	-	-	(84)	499	0.43	809	0.70	-	-	-	12.03

I. The SoT attached with the instant decision of the Authority, includes column of PYA 2016 and PYA 2017 which are already notified vide G.O. 383/(I)/2018 dated March 22, 2018 and would continue to be notified till March 21, 2019. The aforementioned columns have been reproduced for the purpose of clarity only. If the competent Authority decides to re-notify the aforementioned columns with the instant SoT, the aforementioned columns shall remain notify till March 21, 2019 only and would cease to exist thereafter.

II. Tariff under Column PYA 2017 and PYA 2018 shall remain applicable till March 21, 2019 and thereafter only Tariff under Column Base Tariff and PYA 2016 shall remain applicable. Tariff Under Column PYA 2016 shall also cease to exist after one year from the date of notification of this decision and thereafter only Tariff Under Column Base Tariff shall remain applicable till the same is superseded by next notification.



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

A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2018		FYA 2017		FYA 2016		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		C		D		E		F	
a)	For Sanctioned load less than 5 kW	-	4.00		-		-		-		4.00	
i	Up to 50 Units	-	4.00		-		-		-		4.00	
	For Consumption exceeding 50 Units	-	-		-		-		-		-	
ii	001 - 100 Units	-	10.78		(0.38)		0.43		0.70		11.53	
iii	101 - 200 Units	-	12.97		(0.38)		0.43		0.70		13.77	
iv	201 - 300 Units	-	13.92		(0.34)		0.43		0.71		14.72	
v	301 - 700 Units	-	14.37		(0.38)		0.42		0.72		18.16	
vi	Above 700 Units	-	18.28		(0.35)		0.43		0.71		16.04	
b)	For Sanctioned load 5 kW & above	-	-		-		-		-		-	
	Time Of Use	-	18.28	10.78	(0.38)	(0.38)	0.43	0.43	0.70	0.70	16.03	11.53

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

Under tariff A-1, there shall be minimum monthly customer charge at the following rates even if no energy is consumed.

- a) Single Phase Connections: Rs. 75/- per consumer per month
b) Three Phase Connections: Rs. 150/- per consumer per month

Note: Tariff under Column A and F shall remain applicable till March 21, 2019 only and thereafter only Column A, B and C shall remain applicable. Column C shall also cease to exist after one year from the date of notification of this decision and thereafter only Column A and B shall remain applicable till the same is superseded by next notification.

A-2 GENERAL SUPPLY TARIFF - COMMERCIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2018		FYA 2017		FYA 2016		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		C		D		E		F	
a)	For Sanctioned load less than 5 kW	-	18.26		(0.38)		0.43		0.70		16.03	
b)	For Sanctioned load 5 kW & above	400.00	13.25		(0.38)		0.43		0.70		14.03	
	Time Of Use	400.00	18.28	10.78	(0.38)	(0.38)	0.43	0.43	0.70	0.70	16.03	11.53

Under tariff A-2, there shall be minimum monthly charges at the following rates even if no energy is consumed.

- a) Single Phase Connections: Rs. 175/- per consumer per month
b) Three Phase Connections: Rs. 350/- per consumer per month

Note: Tariff under Column A and F shall remain applicable till March 21, 2019 only and thereafter only Column A, B and C shall remain applicable. Column C shall also cease to exist after one year from the date of notification of this decision and thereafter only Column A and B shall remain applicable till the same is superseded by next notification.

A-3 GENERAL SERVICES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2018		FYA 2017		FYA 2016		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		C		D		E		F	
a)	General Services	-	13.80		(0.38)		0.43		0.70		14.58	

Under tariff A-3, there shall be minimum monthly charges at the following rates even if no energy is consumed.

- a) Single Phase Connections: Rs. 175/- per consumer per month
b) Three Phase Connections: Rs. 350/- per consumer per month

Note: Tariff under Column A and F shall remain applicable till March 21, 2019 only and thereafter only Column A, B and C shall remain applicable. Column C shall also cease to exist after one year from the date of notification of this decision and thereafter only Column A and B shall remain applicable till the same is superseded by next notification.

B INDUSTRIAL SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2018		FYA 2017		FYA 2016		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		C		D		E		F	
B1	Up to 26 kW (at 400/230 Volts)	-	11.28		(0.38)		0.43		0.70		12.03	
B2(a)	exceeding 26-500 kW (at 400 Volts)	400.00	10.75		(0.38)		0.43		0.70		11.53	
	Time Of Use	-	18.28	10.78	(0.38)	(0.38)	0.43	0.43	0.70	0.70	16.03	11.53
B1 (b)	Up to 28 kW	-	18.28		(0.38)		0.43		0.70		16.03	
B2(b)	exceeding 28-500 kW (at 400 Volts)	400.00	18.25	10.55	(0.38)	(0.38)	0.43	0.43	0.70	0.70	16.03	11.33
B3	For All Loads up to 9000 kW (at 11.33 kV)	380.00	18.28	10.45	(0.38)	(0.38)	0.43	0.43	0.70	0.70	16.03	11.23
B4	For All Loads (at 66, 132 kV & above)	360.00	18.25	10.38	(0.38)	(0.38)	0.43	0.43	0.70	0.70	16.03	11.13

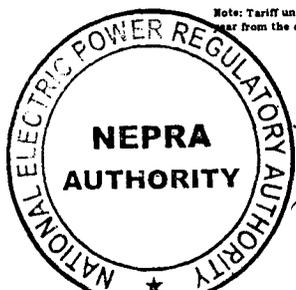
For B1 consumers there shall be a fixed minimum charge of Rs. 350 per month.
For B2 consumers there shall be a fixed minimum charge of Rs. 2,000 per month.
For B3 consumers there shall be a fixed minimum charge of Rs. 50,000 per month.
For B4 consumers there shall be a fixed minimum charge of Rs. 500,000 per month.

Note: Tariff under Column A and F shall remain applicable till March 21, 2019 only and thereafter only Column A, B and C shall remain applicable. Column C shall also cease to exist after one year from the date of notification of this decision and thereafter only Column A and B shall remain applicable till the same is superseded by next notification.

C SINGLE-POINT SUPPLY

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2018		FYA 2017		FYA 2016		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		C		D		E		F	
C-1	For supply at 400/230 Volts	-	-		-		-		-		-	
a)	Sanctioned load less than 5 kW	-	11.75		(0.38)		0.43		0.70		12.53	
b)	Sanctioned load 5 kW & up to 500 kW	400.00	11.28		(0.38)		0.43		0.70		12.03	
C-2(a)	For supply at 11.33 kV up to and including 5000 kW	380.00	11.05		(0.38)		0.43		0.70		11.83	
C-3(a)	For supply at 66 kV & above and sanctioned load above 5000 kW	360.00	10.98		(0.38)		0.43		0.70		11.73	
	Time Of Use	-	18.28	10.78	(0.38)	(0.38)	0.43	0.43	0.70	0.70	16.03	11.53
C-1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	400.00	18.25	10.78	(0.38)	(0.38)	0.43	0.43	0.70	0.70	16.03	11.53
C-2(b)	For supply at 11.33 kV up to and including 5000 kW	380.00	18.28	10.58	(0.38)	(0.38)	0.43	0.43	0.70	0.70	16.03	11.33
C-3(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	360.00	18.25	10.45	(0.38)	(0.38)	0.43	0.43	0.70	0.70	16.03	11.23

Note: Tariff under Column A and F shall remain applicable till March 21, 2019 only and thereafter only Column A, B and C shall remain applicable. Column C shall also cease to exist after one year from the date of notification of this decision and thereafter only Column A and B shall remain applicable till the same is superseded by next notification.



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

D - AGRICULTURE TARIFF

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2018		FYA 2017		FYA 2016		Total Variable Charges
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh		Rs/kWh		Rs/kWh
		A	B		C		D		E		F
D-1(a)	SCARP less than 5 kW	-	11.25		(0.35)		0.43		0.70		12.03
D-2 (a)	Agricultural Tube Wells	200.00	10.75		(0.35)		0.43		0.70		11.53
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak	
D-1(b)	SCARP 5 kW & above	200.00	15.25	10.45	(0.35)	(0.35)	0.43	0.43	0.70	0.70	16.03
D-2 (b)	Agricultural 5 kW & above	200.00	15.25	10.45	(0.35)	(0.35)	0.43	0.43	0.70	0.70	16.03

Under this tariff, there shall be minimum monthly charges Rs.2000/- per consumer per month, even if no energy is consumed.
Note:- The consumers having sanctioned load less than 5 kW can opt for TOU metering.

Note: Tariff under Column A and F shall remain applicable till March 21, 2019 only and thereafter only Column A, B and C shall remain applicable. Column C shall also cease to exist after one year from the date of notification of this decision and thereafter only Column A and B shall remain applicable till the same is superseded by next notification.

E - TEMPORARY SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2018		FYA 2017		FYA 2016		Total Variable Charges
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh		Rs/kWh		Rs/kWh
		A	B		C		D		E		F
E-1(i)	Residential Supply	-	15.25		(0.35)		0.43		0.70		16.03
E-1(ii)	Commercial Supply	-	15.25		(0.35)		0.43		0.70		16.03
E-2	Industrial Supply	-	11.25		(0.35)		0.43		0.70		12.03

For the categories of E-1(i)(ii) above, the minimum bill of the consumers shall be Rs. 50/- per day subject to a minimum of Rs.500/- for the entire period of supply, even if no energy is consumed.

Note: Tariff under Column A and F shall remain applicable till March 21, 2019 only and thereafter only Column A, B and C shall remain applicable. Column C shall also cease to exist after one year from the date of notification of this decision and thereafter only Column A and B shall remain applicable till the same is superseded by next notification.

F - SEASONAL INDUSTRIAL SUPPLY TARIFF

120% of relevant industrial tariff

Note: Tariff-F consumers will have the option to convert to Regular Tariff and vice versa. This option can be exercised at the time of a new connection or at the beginning of the season. Once exercised, the option remains in force for at least one year.

G - PUBLIC LIGHTING

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2018		FYA 2017		FYA 2016		Total Variable Charges
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh		Rs/kWh		Rs/kWh
		A	B		C		D		E		F
	Street Lighting	-	11.25		(0.35)		0.43		0.70		12.03

Under Tariff G, there shall be a minimum monthly charge of Rs.500/- per month per kW of lamp capacity installed.

Note: Tariff under Column A and F shall remain applicable till March 21, 2019 only and thereafter only Column A, B and C shall remain applicable. Column C shall also cease to exist after one year from the date of notification of this decision and thereafter only Column A and B shall remain applicable till the same is superseded by next notification.

H - RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES

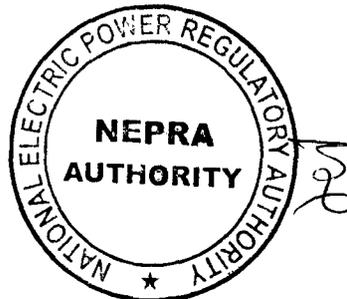
Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2018		FYA 2017		FYA 2016		Total Variable Charges
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh		Rs/kWh		Rs/kWh
		A	B		C		D		E		F
	Residential Colonies attached to industrial premises	-	11.25		(0.35)		0.43		0.70		12.03

Note: Tariff under Column A and F shall remain applicable till March 21, 2019 only and thereafter only Column A, B and C shall remain applicable. Column C shall also cease to exist after one year from the date of notification of this decision and thereafter only Column A and B shall remain applicable till the same is superseded by next notification.

J - SPECIAL CONTRACTS UNDER NEPRA (SUPPLY OF POWER) REGULATIONS 2015

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2018		FYA 2017		FYA 2016		Total Variable Charges
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh		Rs/kWh		Rs/kWh
		A	B		C		D		E		F
J-1	For supply at 66 kV & above and having sanctioned load of 20MW & above	360.00	10.95		(0.35)		0.43		0.70		11.73
J-2	(a) For supply at 11.33 kV	380.00	11.05		(0.35)		0.43		0.70		11.83
	(b) For supply at 66 kV & above	360.00	10.95		(0.35)		0.43		0.70		11.73
J-3	(a) For supply at 11.33 kV	380.00	11.05		(0.35)		0.43		0.70		11.83
	(b) For supply at 66 kV & above	360.00	10.95		(0.35)		0.43		0.70		11.73
Time Of Use			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak	
J-1 (b)	For supply at 66 kV & above and having sanctioned load of 20MW & above	360.00	15.25	10.45	(0.35)	(0.35)	0.43	0.43	0.70	0.70	16.03
J-2 (c)	For supply at 11.33 kV	380.00	15.25	10.55	(0.35)	(0.35)	0.43	0.43	0.70	0.70	16.03
J-2 (d)	For supply at 66 kV & above	360.00	15.25	10.45	(0.35)	(0.35)	0.43	0.43	0.70	0.70	16.03
J-3 (c)	For supply at 11.33 kV	380.00	15.25	10.55	(0.35)	(0.35)	0.43	0.43	0.70	0.70	16.03
J-3 (d)	For supply at 66 kV & above	360.00	15.25	10.45	(0.35)	(0.35)	0.43	0.43	0.70	0.70	16.03

Note: Tariff under Column A and F shall remain applicable till March 21, 2019 only and thereafter only Column A, B and C shall remain applicable. Column C shall also cease to exist after one year from the date of notification of this decision and thereafter only Column A and B shall remain applicable till the same is superseded by next notification.

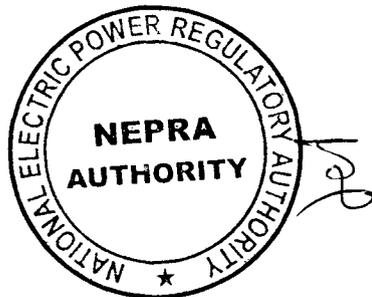


TESCO Power Purchase Price

Name	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Purchased by DISCOs (GWh)	157	140	174	151	173	169	163	156	185	151	175	188	1,983
	kWh												
Fuel Cost Component	3.2708	2.5111	2.4588	2.9120	2.3306	3.4328	4.6523	3.6723	3.9777	4.3148	4.2633	4.3499	3.531
Variable O & M	0.2393	0.2332	0.2218	0.2402	0.2269	0.2838	0.3350	0.2726	0.2979	0.3218	0.2876	0.2685	0.269
CpGenCap	5.8478	5.6570	4.4881	6.3096	5.8938	5.2858	6.7033	7.0261	6.1907	7.0694	5.9103	5.5488	5.972
USCF/MoF	0.3506	0.3543	0.2837	0.3979	0.3461	0.3249	0.3814	0.4281	0.3631	0.4593	0.3873	0.3784	0.3700
Total PPP in Rs. /kWh	9.7084	8.7556	7.4524	9.8596	8.7975	9.3274	12.0719	11.3990	10.8293	12.1653	10.8485	10.5456	10.1420

	Rs in Million												
Fuel Cost Component	514	351	429	439	404	581	760	574	734	654	745	819	7,003
Variable O & M	38	33	39	36	39	48	55	43	55	49	50	51	534
CpGenCap	920	790	783	951	1,022	894	1,095	1,098	1,142	1,071	1,032	1,045	11,844
USCF/MoF	55	49	49	60	60	55	62	67	67	70	68	71	734
PPP	1,527	1,223	1,300	1,486	1,525	1,578	1,973	1,781	1,998	1,843	1,895	1,986	20,115

It is clarified that PPP is pass through for all the 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



**TERMS AND CONDITIONS OF TARIFF
(FOR SUPPLY OF ELECTRIC POWER TO CONSUMERS BY DISTRIBUTION
LICENSEES)**

PART-I

GENERAL DEFINITIONS

The Company, for the purposes of these terms and conditions means Tribal Areas Electricity Supply Company Limited (TESCO) engaged in the business of distribution 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 30 days or less reckoned from the date of last meter reading.
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 highest of maximum demand recorded in a month except in the case of agriculture tariff D2 where "Billing Demand" shall mean the sanctioned load.
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.
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) day	5 PM to 9 PM	Remaining 20 hours of the
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 exceeding 4 kW supply shall be given at three-phase.



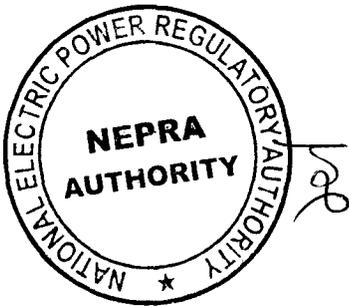
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12. "Consumer" means a person of his successor-in-interest as defined under Section 2(iv) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).
13. "Charitable Institution" means an institution, which works 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 Dispatch 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 (XL of 1997).

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 Charge of 10% (ten percent) shall be levied on the amount billed excluding Govt. tax and duties etc. In case bill is not served at least seven days before the due date then late payment surcharge will be levied after 7th day from the date of delivery of bill.
3. The supply provided to the consumers shall not be available for resale.
4. In the case of two-part tariff average Power Factor of a consumer at the point of supply shall not be less than 90%. In the event of the said Power factor falling below 90%, the consumer shall pay a penalty of two percent increase in the fixed charges determined with reference to maximum demand during the month corresponding to one percent decrease in the power factor below 90%.



PART-II

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

A-1 RESIDENTIAL

Definition

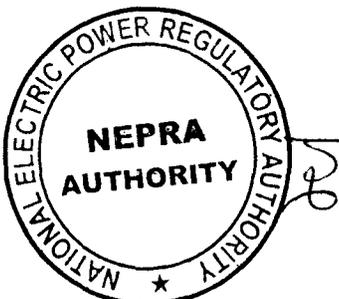
“Life Line Consumer” means those residential consumers having single phase electric connection with a sanctioned load up to 1 kW.

At any point of time, if the floating average of last six months’ consumption exceed 50 units, then the said consumer would not be classified as life line for the billing month even if its consumption is less than 50 units. For the purpose of calculating floating average, the consumption charged as detection billing would also be included.

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,
 - ii) Hotels 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.
2. 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)
3. 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).
4. The existing and prospective consumers having load of 5 kW and above can opt for T.O.U metering arrangement and A-2(c) tariff.
5. All existing consumers under tariff A-2 shall be provided T.O.U metering arrangement by the Company and convert it to-A-2 (c) Tariff.
6. All new connections having load requirement 5 kW and above shall be provided T.O.U meters 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 operating on three phase 400 volts other than those meant for the irrigation or reclamation of Agriculture land.

1. 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 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 and 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 a 25 kW.
2. Consumers having sanctioned load less than 25 kW shall be billed on single-part kWh rate.
3. All existing consumers under tariff B-1 shall be provided T.O.U metering arrangement by the Company and convert it to-B1 (b) Tariff.

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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 5000 kW and also for Industries having sanctioned load of 500 kW or below who opt for receiving supply at 11 kV or 33 kV.
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 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 NEPRA eligibility criteria.
4. 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 5000 kW receiving supply at 66 kV, 132 kV and above and also for Industries having load of 5000 kW 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 NEPRA Eligibility Criteria, 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 NEPRA Eligibility Criteria.
4. All B-4 Industrial Consumers shall be billed on the basis of two-part T.O.U tariff.



h

C BULK SUPPLY

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

General Conditions

If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days no notice will be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days the fixed charges shall be assessed on proportionate basis for actual number of days between the date of old reading and the new reading.

C-1 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 up to and including 5000 kW.
2. 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 NEPRA eligibility criteria.
3. 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.
4. 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 NEPRA Eligibility Criteria, 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 NEPRA Eligibility Criteria.
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, viz. fish farms, fish hatcheries and fish nurseries.
 - 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 having sanctioned load of less than 5 kW.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. D-1(a) tariff given in the Schedule of Tariff.
3. All new consumers having sanctioned load 5 kW and above shall be provided TOU metering arrangement and shall be charged on the basis of Time-of- Use (T.O.U) tariff D-1(b) given in the Schedule of Tariff.
4. All the existing consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangements and shall be governed by D-1(a) till that time.

D-2

1. This tariff is applicable to consumers falling under Agriculture Supply having sanctioned load less than 5 kW 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, marriages and other civil or military functions. This also includes supply to touring cinemas and persons engaged in construction works for all kinds of single phase loads. For connected load exceeding 4 kW, supply may be given at 400 volts (3 phase) to allow a balanced distribution of load on the 3 phases. Normally, temporary connections shall be allowed for a period of 3 months which can be extended on three months basis subject to clearance of outstanding dues.

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

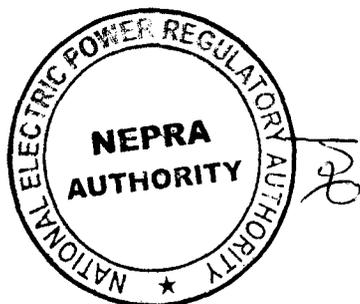
1. Ordinarily the supply under this Tariff shall not be given by the Company without first obtaining security equal to the anticipated supply charges and other miscellaneous charges for the period of temporary supply.
2. Normally, temporary connections shall be allowed for a period of 3 months, which 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

1. “Year” means any period comprising twelve consecutive months.
2. 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 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.

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



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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.

I. TRACTION

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

J. SPECIAL CONTRACTS UNDER NEPRA (SUPPLY OF POWER) REGULATIONS 2015

Supply for the purpose of this tariff means the supply given at one or more common delivery points;

- i. To a licensee procuring power from TESCO for the purpose of further supply within its respective service territory and jurisdiction.
- ii. To an O&M operator under the O&M Agreement within the meaning of NEPRA (Supply of Power) Regulations 2015 duly approved by the Authority for the purpose of further supply within the service territory and jurisdiction of the TESCO
- iii. To an Authorized agent within the meaning of NEPRA (Supply of Power) Regulations 2015, procuring power from the TESCO for further supply within the service territory and jurisdiction of the TESCO

J-1 SUPPLY TO LICENSEE

- 1. This tariff is applicable to a Licensee having sanctioned load of 20 MW and above receiving supply at 66 kV and above.
- 2. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to J-1(b).
- 3. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff J-1(b) as set out in the Schedule of Tariff.



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SUPPLY UNDER O&M AGREEMENT

J-2 (a) SUPPLY AT 11 KV AND 33 KV

1. This tariff is applicable to an O&M operator receiving supply at 11 kV or 33 kV under the O&M Agreement duly approved by the Authority.
2. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to J-2(c).
3. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff J-2(c) as set out in the Schedule of Tariff.

J-2 (b) SUPPLY AT 66 KV AND ABOVE

1. This tariff is applicable to an O&M operator receiving supply at 66 kV & above under the O&M Agreement duly approved by the Authority.
2. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to J-2(d).
3. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff J-2(d) as set out in the Schedule of Tariff.

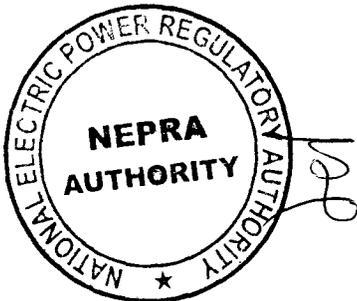
SUPPLY TO AUTHORIZED AGENT

J-3 (a) SUPPLY AT 11 KV AND 33 KV

1. This tariff is applicable to an authorized agent receiving supply at 11 kV or 33 kV.
2. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to J-3(c).
3. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff J-3(c) as set out in the Schedule of Tariff.

J-3 (b) SUPPLY AT 66 KV AND ABOVE

1. This tariff is applicable to an authorized agent receiving supply at 66 kV & above.
2. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to J-3(d).
3. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff J-3(d) as set out in the Schedule of Tariff.



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