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Islamic Republic of Pakistan

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No .NEPRA/R/ADG(Trf)/TRF-603&TRF-604/LESCO-2024/9355-61 June 23, 2025

Subject: **Decision of the Authority in the matter of request filed by Lahore Electric Supply Company (LESCO) for Adjustment/Indexation of tariff for FY 2025-26 under MYT**

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority along with Annexure-I, I-A, II, III, IV & V (total 40 pages).

2. The instant Decision of the Authority along with annexures, is hereby intimated to the Federal Government for filing of uniform tariff application in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997. The instant Decision of the Authority and the Order part along with Annexure-I, I-A II, III, IV & V be also notified in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, while notifying the uniform tariff application Decision of the Authority.

Enclosure: **As above**

(Wasim Anwar Bhinder)

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

Copy to:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad
3. Secretary, Energy Department., Government of the Punjab, 8th Floor, EFU House, Main Gulberg, Jail Road, Lahore
4. Managing Director, National Grid Company (NGC) of pakistan, 414 WAPDA House, Shaharah-e-Qauid-e-Azam, Lahore
5. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad.
6. Chief Executive Officer, Lahore Electric Supply Company Limited (LESCO) 22-A Queens Road, Lahore
7. Chief Executive Officer, Independent System and Market Operator (ISMO) of pakistan, Pitras Bukhari Road, Sector H-8/1, Islamabad

DECISION OF THE AUTHORITY IN THE MATTER OF REQUEST FILED BY LAHORE ELECTRIC SUPPLY COMPANY (LESCO) FOR ADJUSTMENT / INDEXATION OF TARIFF FOR FY 2025-26 UNDER THE MYT

1. Background

1.1. The Authority determined tariffs of Lahore Electric Supply Company Limited (LESCO) (herein referred to as "Petitioner") under the Multi Year Tariff (MYT) regime, for a period of five years i.e. from FY 2023-24 to FY 2027-28, separately for both its Distribution and Supply of power functions vide tariff determinations dated 14.03.2024. The said decision was subsequently notified by the Federal Government.

1.2. The Petitioner in line with the adjustment mechanism provided in its notified MYT determination, has filed its request for adjustment/ indexation of different components of its revenue requirement for the FY 2025-26, along-with break-up of costs in terms of Distribution and Supply functions. A summary of the adjustments request submitted by the Petitioner is as follows;

Description	Unit	Distribution of Power (DOP)	Supply of Power (SOP)	Total
O&M cost	Rs. Mln	62,257	6,060	68,317
RORB	Rs. Mln	13,028	1,268	14,296
Depreciation	Rs. Mln	6,775	659	7,434
Other Income	Rs. Mln	- 11,833	- 1,152	- 12,985
New Hiring	Rs. Mln	1,873	288	2,162
Earthing/Grounding	Rs. Mln	1,714		1,714
Net Margin	**Rs. Mln**	**73,814**	**7,123**	**80,938**
Prior Year Adjustment	**Rs. Mln**	**118,631**	**53,096**	**171,727**
Revenue Requirement	**Rs. Mln**	**192,445**	**60,219**	**252,664**

2. Hearing

2.1. Since the impact of any such adjustments has to be made part of the consumer end tariff, therefore, the Authority, in order to provide an opportunity of hearing to all the concerned and, in the interest of natural justice, decided to conduct a hearing in the matter.

2.2. Hearing in the matter was held on 07.04.2025, for which advertisement was published in newspapers on 25.03.2025. Separate notices were also sent to the stakeholders for inviting comments from the interested/ affected parties. The salient features and details of the proposed adjustments along-with notice of hearing were also uploaded on NEPRA's Website for information of all concerned.

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

i. Whether the requested indexation/adjustments in tariff are in line with the MYT tariff determination and are justified?

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ii. DISCO to present its Power Purchases Price (Energy & Cost) for the FY 2025-26, keeping in view the Section 32 of NEPRA Act and other applicable documents?

iii. Whether the requested PYA is justified?

iv. Whether the schedule of tariff be designed on cost-of-service basis or otherwise?

v. Whether the existing quantum of fixed charges along-with application mechanism for different consumers categories needs to be revised in order to ensure recovery of fixed cost portion of revenue requirement in line with Strategic Directives given in NE Plan?

vi. Whether the peak and off-peak timing and rate design needs to be revised, keeping in view the changing demand patterns?

vii. Whether the Petitioner has complied with directions issued by the Authority?

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

3. **Filing of objections/ comments:**

3.1. The interested parties were given an opportunity to submit written/ oral comments or objections, if any, as permissible under the law. However, no comments have been received in the matter.

3.2. During the hearing, the Petitioner was represented by its CEO along-with its technical and financial teams. On the basis of pleadings, evidence/record produced and arguments raised during the hearing, issue-wise findings are given as under;

4. **Whether the requested indexation/adjustments in tariff are in line with the MYT tariff determination and are justified?**

4.1. During the hearing, the Petitioner submitted that the requested annual indexation/adjustments are in line with the mechanism determined vide Authority determinations in the matter of MYT Petition of LESCO for Supply and Distribution Tariff and NEPRA guidelines for determination of consumer end tariff (Methodology & Process).

4.2. The Petitioner requested the following adjustments on account of its O&M costs, Other Income and RoRB etc., for the FY 2025-26 and made the following submissions;

Description	Unit	Distribution of Power (DOP)	Supply of Power (SOP)	Total
O&M cost	Rs. Mln	62,257	6,060	68,317
RORB	Rs. Mln	13,028	1,268	14,296
Depreciation	Rs. Mln	6,775	659	7,434
Other Income	Rs. Mln	- 11,833	- 1,152	- 12,985
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Operation & Maintenance Cost

- ✓ In line with adjustment mechanism given in MYT, the adjusted O&M Cost i.e. Salaries & wages, Post Retirement Benefit and other O&M Cost for the FY 2025-26 for Distribution and Supply Business are elaborated below:

Description	Determined			Adjustment/Indexation		
	FY 2024-25			FY 2025-26		
	DOP	SOP	Total	DOP	SOP	Total
						PKR Million
Pay & Allowances	22,536	2,194	24,730	31,133	3,031	34,164
Post Retirement Benefits	18,615	1,812	20,427	22,136	2,155	24,291
Repair & Maintenance	2,682	261	2,943	2,876	280	3,155
Other Expenses	5,702	554	6,256	6,113	595	6,708
Total O&M Cost	49,535	4,821	54,356	62,257	6,060	68,318

Assumptions for Indexation:

- ✓ Pay & Allowances for FY 2025-26 have been projected as:
- ✓ Adhoc Relief Allowance @ 40% of Basic Pay
- ✓ Annual Increment @ 5% of Basic Pay for 7 Months
- ✓ Impact of CPI on Employee Benefits i.e. Medical Expense, utility allowance etc
- ✓ Post Retirement Benefit as per actuarial report FY 2022-23 (Projection for FY 2025-26)
- ✓ For Other O&M, NCPI for Dec-24 of 7.22% is used over determined expense for FY25

Post Retirement Benefits

4.3. The Petitioner submitted that as per Authority instructions, it has fully complied and deposited the amounts allowed for post-retirement benefits to separate fund, the year wise movement of fund is as under:

Period	NEPRA allowed amount	Amount Transferred to Fund	Accumulated balance	Profit earned
				PKR MLN
2015-16	9,002	2,983	-	-
2016-17	9,002	3,742	-	-
2017-18	9,002	4,683	153	-
2018-19	9,002	21,723	14,493	476
2019-20	17,420	15,793	26,792	2,420
2020-21	17,420	12,993	35,363	1,732
2021-22	15,678	18,584	47,945	2,048
* 2022-23	15,678	18,694	62,684	6,055
* 2023-24	20,427	21,262	78,996	4,870
** 2024-25 (Jul-Dec)	10,214	11,801	97,670	13,443
Total	132,845	132,257		31,043

4.4. LESCO accordingly has requested to allow Rs.24,297 million as per net P&L expense calculated in Actuarial report for FY 2023 on provisional basis for FY 2026.

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Depreciation Expense

4.5. The Petitioner stated that in line with Adjustment Mechanism given in MYT, Depreciation Expense has been assessed in accordance with following formula/Mechanism:

DEP(Rev) =DEP(Ref) X GFAIO(Rev) / GFAIO(Rev)

Where:

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

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

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

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

4.6. Based on the above, the request for depreciation charges for FY 2025-26 is as follows:

PKR Million

Description	Determined	Adjustment/Indexation
	FY 2024-25	FY 2025-26
Gross Fixed Assets Opening Balance		194,235
Additions in Fixed Assets		23,281
Gross Fixed Assets Closing Balance		217,517
Depreciation Epense	6,647	7,434

Return On Rate Base (RORB)

4.7. The Petitioner mentioned that in line with Adjustment Mechanism given in MYT, calculation of Return on Rate base on the basis of Weighted Average Cost of Capital (WACC) is given below:

Rs. Mln.

Description	2023-24	2024-25	2025-26
	Un-Audited	Projected	Projected
Gross Fixed Assets in Operation - Opening Bal	156,701	172,950	194,235
Addition in Fixed Assets	16,250	21,285	23,281
Gross Fixed Assets in Operation - Closing Bal	172,950	194,235	217,517
Less: Accumulated Depreciation	59,318	65,696	73,130
Net Fixed Assets in Operation	113,632	128,539	144,387
Add: Capital Work In Progress - Closing Bal	17,746	20732	15211
Investment in Fixed Assets	131,378	149,271	159,598
Less: Deferred Credits	65,908	69,759	73,950
Regulatory Assets Base	65,470	79,512	85,648
Average Regulatory Assets Base			82,580
Rate of Return			17.31%
Return on Rate Base			14,296

4.8. The Petitioner submitted the following calculation of Weighted Average Cost of Capital is as under:

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2nd Jul 2024	Cost	Ratio	Rate
Equity	14.47%	30%	4.34%
Debt (2.00% Spread+ 3 Months KIBOR offer Rate)	22.97%	70%	16.08%
Calculated Rate			**20.42%**
2nd Jan 2025			
Equity	14.47%	30%	4.34%
Debt (2.00% Spread+ 3 Months KIBOR offer Rate)	14.09%	70%	9.86%
Calculated Rate			**14.20%**
Average			**17.31%**

<u>Other Income:</u>

4.9. The Petitioner submitted that in line with Adjustment Mechanism given in MYT, Other Income has been assessed in accordance with following Formula/Mechanism.

OI (Rev) =01(1) + {OI(I) — OI(o)}

01 (Rev) = Revised Other Income for the Current Year.

01(1) = Actual Other Income as per latest Financial Statement.

01(0) = Actual/Assessed Other Income used in the previous year.

4.10. Based on the above, the Petitioner projected Other Income for FY 2025-26 as under:

			Rs. Mln.
Description	**Distribution**	**Supply**	**Total**
Meter / Service rent	-	464	464
Reconnection fees	-	49	49
Income from non-utility operations	973	-	973
Income from television license collection fee	-	50	50
Miscellaneous	1,007	98	1,105
Profit on bank deposits (Exc. Pension Fund)	7,038	780	7,818
Amortization of deferred credit	2,526	-	2,526
Total	**11,544**	**1,441**	**12,985**

<u>New Hiring</u>

4.11. The Petitioner has requested Rs. 2,162 million against new hiring and submitted that at present the DISCO's face critical shortage of staff due to which customer related services and official working is badly affected due to which already work force is overburdened. The Government has put restrictions on pensionable employment, and required to hire employees on contractual basis instead of Government pay scales. Consequently, the financial impact of new hiring and annual increase will be market-based remunerations and differ from Government pay scales. The planned new hiring against critical shortage of staff is as under:

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IMPACT OF NEW HIRING FY 2025-26

Sr. No.	Name of post	BPS	Nos.	Financial 2025-26
1	C-Level posts		7	101
2	XEN / Deputy Manager	18	6	15
3	Assistant Engineer (Maintenance)	17	2	4
4	Revenue Officer	17	6	12
5	SDO / A.M	17	26	54
6	Commercial Superintendent	16	6	9
7	Divisional Accountant	16	12	17
8	Accounts Assistant	15	18	22
9	Assistant / Head Clerk	15	6	7
10	Commercial Assistant	15	120	149
11	LS-I	15	78	97
12	LS-II	14	52	61
13	Steno-II	14	12	14
14	Foreman	13	4	4
15	HDM-B	13	6	6
16	Assistant Foreman	11	2	2
17	Electrician-I	11	2	2
18	Fitter-I	11	2	2
19	LM-I	11	208	198
20	MS-I & II	11	26	25
21	Senior Clerk	11	66	63
22	Fitter-II	9	4	3
23	Junior Clerks	9	36	28
24	LDC (Revenue)	9	42	33
25	LDC / TCC	9	104	82
26	LM-II	9	208	163
27	Meter Reader	9	338	265
28	Driver	8	64	48
29	ALM	7	624	456
30	ASSA	7	12	9
31	Bill Distributors	7	162	118
32	Telephonist / LDC	9	6	4
33	Tracer	7	12	9
34	Lorry Cleaner	3	4	2
35	Chowkidar	1	38	18
36	Mali	1	6	3
37	Naib Qasid	1	78	37
38	Sweeper	1	40	19
	Total		2445	2,162

4.12. Mr. Aamir Sheikh, a commentator, submitted during hearing that Off Peak rates may be abolished and a uniform rate for Peak and Off-peak hours may be charged form the consumers. It was also stated that Power Purchase Price (PPP) references, may be assessed prudently to avoid future periodic adjustments in terms of FCAs and QTAs. Mr. Sheikh also raised concerns regarding high previous year adjustments claimed by LESCO, specially the huge amount requested on account of unfunded liabilities of Post retirement benefits.

4.13. **Regarding Salaries & Wages and Other Benefits**, the same include employees Pay & Allowances and Post-retirement benefits and accounts for over 85% of the Petitioners total O&M costs, excluding depreciation. Employees of XWDISCOs are generally hired on Government pay scales, thus, any salary increase announced by the Federal Government in Fiscal Budget is applicable on the employees of XWDISCOs. However, the increase of 38% as proposed by LESCO in pay & allowances is exponentially high.

4.14. It is pertinent to mention here that as per the Federal Budget for the FY 2025-26, an increase of 10% has been announced in the salaries of government employees. In view thereof, the Authority has decided to apply an Adhoc allowance of 10% on provisional basis on the amount of Pay & Allowances (excluding post-retirement benefits), allowed for the FY 2024-25. In addition, the impact of annual increment @ 5% has also been included in the assessed cost of Pay & Allowances for the FY 2025-26. Accordingly, for the FY 2025-26, the Pay & Allowances has been worked out as Rs.27,976 million, which is hereby allowed to the Petitioner.

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4.15. As per the MYT determination of LESCO, the allowed Pay & Allowances cost is to be actualized, based on its audited accounts for the relevant year for its existing employees. The impact of any such adjustment would be allowed as part of PYA in the next indexation/ adjustment request or tariff determination as the case may be. Accordingly, the cost being allowed for the FY 2025-26 shall be actualized, once the Audited accounts of the Petitioner for the FY 2025-26 would be available.

4.16. In order to bifurcate the cost proposed for Pay & Allowances in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used. Consequently, the cost of Pay & Allowances (excluding postretirement benefits) for the FY 2025-26 pertaining to the distribution function works out as Rs.25,494 million and Rs.2,482 million for Supply function.

4.17. Further, as per the Audited Accounts of LESCO for FY 2023-24, its Pay & Allowances cost is Rs.24,078 million, against the allowed cost of Rs.22,820 million. Accordingly, in light of the MYT determination of LESCO, whereby the allowed Pay & Allowances cost is to be actualized based on Audited accounts, the Authority has decided to allow differential of Rs.1,258 million as part of PYA in the instant decision.

4.18. **Regarding Post-retirement Benefits**, the Authority allowed provision for post-retirement benefits to the Petitioner in the MYT tariff determination, with the direction to deposit the whole amount of allowed Post retirement benefits into the separate Fund and route all its pension payments through the Fund. If the Petitioner fails to transfer the whole amount of postretirement benefits into the Fund, the Authority would adjust the deficit payments in next year's provision and from thereon, only actual amounts paid and amount transferred into the fund would be allowed.

4.19. Based on the information provided by the Petitioner, the Authority noted that the Petitioner has shown compliance with the directions of the Authority, whereby the excess amount has been deposited in the Fund.

4.20. Regarding assessment of post-retirement benefits for the FY 2025-26, the determination provides that it would be allowed based on the actuarial valuation report for the year for which assessment is being made or as per the latest available audited financial statements. As per the latest audited financial statements of the Petitioner i.e. for the FY 2023-24, the provision for post-retirement benefits is Rs.32,209 million. However, the Petitioner itself has requested an amount of Rs.24,291 million under the head of postretirement benefits, and accordingly, the same is being allowed to the Petitioner for the FY 2025-26, for both the distribution and supply of power functions.

4.21. In order to bifurcate the cost proposed for postretirement benefits in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used. Thus, the proposed amount of post-retirement benefits for the FY 2025-26 pertaining to the distribution function works out as Rs.22,136 million and Rs.2,155 million for Supply function.

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4.22. As per the MYT determination of LESCO, the Post Retirement Benefits being allowed are to be actualized, based on its audited accounts for the relevant year. Relevant extract of MYT determination is as under;

> 14.10 Considering the fact that the Petitioner is obligated to pay to its pensioners, the pension increases announced by the Federal Government, therefore, being an un-controllable cost, the Authority has decided to actualize the post-retirement benefits cost of the Petitioner for the relevant year, based on its audited accounts. The impact of any such adjustment would allowed as part of PYA in the next indexation/ adjustment request or tariff determination as the case mav be.

4.23. As per the Audited Accounts of LESCO for FY 2023-24, its Psot retirement benefits are Rs.32,908 million as against the allowed amount of Rs.20,427 million. Accordingly, in light of the MYT determination of LESCO, the Authority has decided to allow differential of Rs.12,481 million as part of PYA in the instant decision.

4.24. **Regarding Other O&M expenses**, (Repair & Maintenance, Travelling, Transportation and Other O&M expenses) the MYT tariff determination requires the same to be indexed with NCPI of December for the respective year after adjustment for the X factor i.e. 30% of CPI (applicable from 3rd year of tariff control period). Accordingly, for indexation of other O&M expenses for the FY 2025-26, the NCPI of December 2024 has been considered. The same as reported by Pakistan bureau of Statistics is 4.03%. Further, the Petitioner was allowed MYT from FY 2023-24, therefore, as per the notified MYT decision X-Factor would be applicable from 3rd year of control period i.e. FY 2025-26. With NCPI of December 2024 i.e. 4.03% and application of X-factor, the Other O&M cost of the Petitioner for the FY 2025-26 works out as Rs.9,459 million. based on reference cost of Rs.9,199 million. The same is allowed to the Petitioner for both the distribution and supply of power functions.

4.25. In order to bifurcate the allowed cost of Other O&M expenses in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used. Thus, the allowed amount of Other O&M for the FY 2025-26, pertaining to the distribution function works out as Rs.8,621 million and Rs.838 million for Supply function.

4.26. **Regarding Depreciation expenses,** the same are required to be worked out based on the Revised Gross Fixed Assets in Operation (GFAIO) for FY 2025-26, to be calculated based on Investment allowed for the FY 2025-26. For FY 2025-26, allowed investment for the Petitioner is Rs.21,795 million, by considering the same revised Gross Fixed Assets in Operation of the Petitioner for the FY 2025-26 works out as Rs.216,537 million. Accordingly, as per the allowed mechanism the total depreciation expense of the Petitioner for the FY 2025-26 works out as Rs.7,375 million. The same is being allowed to the Petitioner for both the distribution and supply of power functions.

4.27. In order to bifurcate the allowed cost of depreciation expenses in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used. Thus, the total allowed amount of Depreciation for the FY 2025-26 allocated to the distribution function.

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4.28. In addition, the mechanism given in the MYT, also provides that the allowed Depreciation for previous year will be trued up downward only, keeping in view the amount of investment allowed for the respective year. In view thereof, the depreciation cost allowed for the FY 2023-24, has been trued up and made part of PYA of the Petitioner in the instant decision.

4.29. It is clarified that the Authority is in the process of evaluating the investments actually carried out by the Petitioner, whether the same in line with the allowed investment plan or otherwise. Therefore, for the purpose of truing up of Depreciation expenses for the FY 2023-24, depreciation expense as reported in Audited financial statements of the Petitioner have been considered, keeping in view the mechanism prescribed in the MYT determination. Any adjustment based on the final evaluation of the Authority, if required, would be made in next adjustment/indexation request of the Petitioner.

4.30. **Regarding RoRB,** the reference RoRB is required to be adjusted every year based on the amount of RAB worked out for the respective year after taking into account the amount of investment allowed for that year, as per the mechanism provided in the MYT.

4.31. Accordingly, the revised RAB of the Petitioner for the FY 2025-26, based on the Investment allowed for the FY 2025-26 i.e. Rs.21,795 million, and incorporating therein 100% balance of CWIP, works out as Rs.101,164 million. The average RAB of the Petitioner however, for the purpose of calculation of RoRB, works out as Rs.104,444 million for the FY 2025-26.

4.32. Based on the above discussion, the total RoRB of the Petitioner for the FY 2025-26 works out as Rs.14,038 million based on WACC of 13.44%, as detailed below;

Debt to Equity ratio	
Debt Portion	70%
Equity Share	30%

Cost of Debt	
KIBOR as of 03.01.25	11.00%
Spread	2.00%
Total cost of debt	**13.00%**
RoE Allowed	**14.47%**

WACC	**13.44%**

4.33. It is relevant to mention here that the Authority vide MYT determination, allowed adjustments on account of variation in KIBOR on biannual basis. The same would be adjusted subsequently once the actual KIBOR and Audited accounts of the Petitioner for the FY 2025-26, are available for true up of RORB.

4.34. The RoRB is being allowed to the Petitioner for both the distribution and supply of power functions. In order to bifurcate the allowed RoRB in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used, wherein, complete amount allocated to Distribution function.

4.35. In addition, the mechanism also provides that the allowed RAB for previous year will be trued up downward only, keeping in view the amount of investment allowed for the respective

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year. Further, the variations on account of KIBOR are also required to be allowed on biannual basis. In view thereof, the RoRB cost allowed for the FY 2023-24, has been trued up and made part of PYA of the Petitioner in the instant decision.

4.36. **Regarding Other Income**, the same has been adjusted as per the mechanism provided in the MYT determination for the FY 2025-26. The same for the FY 2025-26 works out as Rs.12,990 million for the Petitioner.

4.37. In order to bifurcate the allowed cost of Other Income in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used. Thus, the allowed amount of Other Income for the FY 2025-26 pertaining to the distribution function works out as Rs.12,093 million and Rs.897 million for Supply function.

4.38. Regarding cost of new hiring of Rs.2,162 million requested by LESCO, the Authority in the MYT determination of LESCO decided as under;

"The Authority observed that Salaries & Wages cost for the FY 2022-23, as per the information provided by the Petitioner, has been considered as base cost, therefore, impact of any new recruitment made till FY 2022-23 has already been accounted for. For future recruitment to be carried out in FY 2023-24 and onward, the Authority understands that allowing cost of additional hiring, upfront would be unfair with the consumers, without considering/ analyzing the benefits of such recruitment. The Authority understands that it will be in a better position to adjudicate on the issue once the Petitioner provides details of the actual cost incurred in this regard and substantiates the same with the quantified benefits accrued. Although, the Authority has decided to actualize the Pay & Allowances cost of the Petitioner, based on its audited accounts for the relevant year, however, that would only be to the extent of existing employees. Accordingly, the Petitioner is directed to provide detail of additional recruitment actually made during each year, along-with its financial impact and quantified benefits accrued, for consideration of the Authority, in its subsequent adjustment/ indexation request."

4.39. As per the submissions of LESCO reproduced above, it has still not made any recruitments, however, has planned to hire 2,445 number of employees. Therefore, in line with the MYT determination, the Authority has decided not to allow any cost under this head, unless the Petitioner incurs such cost and provides details of the actual cost and substantiates the same with the quantified benefits accrued.

4.40. The Authority also observed that LESCO's Auditor in its Audit Report for the FY 2023-24 raised the issue of "payroll fraudulent financial reporting" as under.

"....multiple instances were identified in the Okara Cantt office where employees listed on the payroll do not exist in their subdivision payroll nor they have valid ERP number. Despite this, these "ghost employees" continue to exist in bank routing sheets and are credited salary payments. According to the preliminary assessment, the management's inquiry revealed fraudulent payments made in the years 2024, 2023, and 2022, amounting to Rs. 29.884 million, Rs. 56.041 million, and Rs. 21.812 million, respectively. Based on the findings of an Inquiry Committee constituted by the BOD, the management forwarded the case to the Federal

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Investigation Agency (FIA), and the investigation is still ongoing. Additionally, deficiencies were noted in the ERP payroll system, including its inability to retain prior period data in its original form.

In light of these findings, we recommend that management strengthen internal controls by implementing regular payroll audits and establishing an integrated ERP payroll system. Furthermore, the ERP payroll system should be upgraded to ensure the retention of historical data in its original form, which will facilitate the accurate processing of retrospective payrolls. To enhance oversight and mitigate the risk of fraud, a dedicated payroll compliance officer should be appointed, and stricter monitoring of payroll changes should be enforced. Recovery proceedings should be initiated for the identified overpayments, and disciplinary or legal action should be taken against those individuals involved in these fraudulent activities. We have further been informed by the management that it has carried an extensive exercise across the Company whereby the salary claims and related disbursements have been crossed checked and based on the exercise, the management has taken a view that this instance of fraud in an isolated event and doesn't extend to rest of the field offices/formations. We trust that the Board is in agreement with the view taken by the management in this respect."

4.41. In light of the above findings of the Audit, the amount of Rs.107 million on account of fraudulent payments pertaining to the years 2022, 2023, and 2024, as per preliminary assessment of the management's inquiry, have been adjusted from the revenue requirement of FY 2025-26.

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

5.1. LESCO submitted that Rule 53 of NEPRA Tariff Guidelines provides that under-recovery or over recovery of the cost-of-service incurred during the previous year shall be accounted for going forward during the current year under the head of prior period adjustment. The prior year's adjustments pertaining to previous years and any unrecovered/under-recovered cost prior to the said years as submitted by LESCO is summarized below:

Rs. Mln.

Sr. No.	Description	Amount
1	DM-2023-24 Under-Recovered	11,399
2	AQTAs- Under / (Over) Recovered	9,902
3	FCA-Impact on Life Line Units	122
4	M. Tax payments	17,498
5	PM -Assistance Package Payments	362
6	MYT True Up-Depreciation	452
7	Other Income (2022-23)	(1,260)
8	Sales Mix Varaince 2023 (Under Recovered)	3,523
9	Sales Mix Varaince 2024 (Under Recovered)	1,779
10	PYA- (Under Review with NEPRA)	10,032
11	Financial Impact of Adhoc Relief-2024	478
12	MIRAD (Salaries & Wages)	34
13	Provisions of Post Retirement Benefits	117,406
	Prior Year Adjustment	171,727

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5.2. The Petitioner has provided the following justification for the amounts claimed as PYA.

Distribution Margin Adjustment

5.3. The Petitioner submitted that as the financial year of FY 2023-24 lapsed, the DM adjustment on allowed losses for FY 2023-24 is also required to be adjusted. The DM adjustment for FY 2023-24 is amounting to Rs.11,399 million under recovered.

Quarterly Tariff Adjustments Under/(Over) Recovery

5.4. The Petitioner submitted that net under / over recovery against the quarterly adjustment for 4th Quarter of FY 2022-23, 2023-24 all quarters & 2024-25 (1st QTR) has been calculated after incorporating the financial impact on sales to Life line & ISP-incremental sales.

FCA Impact on Life Line Sales

5.5. The Petitioner submitted that as the monthly FCA's adjustments are not passed on to Life Line consumers, so its financial impact is required to be adjusted in PYA amounting to Rs.122 million.

Prime Minister Assistance Package

5.6. The Petitioner submitted that Establishment Division's office memorandum No. 8/10 / 201 3-E-(PT) dated 03.08.2016 regarding Assistance Package for Families of Employees who Die in Service, was adopted by PEPCO Board of Directors. BoD LESCO has adopted the same Establishment Division's office memorandum dated 03.08.2016 regarding Assistance Package for Families of Employees who die in service. LESCO has made payments of Rs.362 million for FY 2022-23 & FY 2023-24. The Authority has already principally agreed that actual payments welfare assistance package would be allowed. Therefore, it requested to allow the actual amount against prior year adjustment amounting to Rs. 362 million.

Minimum Tax Payments

5.7. LESCO apprised that DISCO's were not required to pay Advance Tax u/s 147 of the Income Tax Ordinance till TY 2016 as the provisions of section 113 (Minimum Tax on Turnover) of ITO 2001 were not applicable due to presence of Gross Loss proviso which were omitted by Finance Act 2016. Subsequently, LHC has decided the matter of Subsidy (TDS) that it shall be included in Turnover of the DISCO which is upheld by Supreme Court of Pakistan, hence all DISCOs are bound to calculate Minimum Tax Liability u/s 113 of ITO 2001 by adding the Subsidy amount in its Turnover. Due to this fact, the liability of DISCO has increased substantially for the years up to 2016 as it turns the Gross Loss into Gross Profit for the purposes of taxation. In the light of LHC and SC judgements, for years 2016 onwards, Tax Liability will be increased to the extent of value of Subsidy (TDS) as part of turnover. Moreover, all the pending litigations are now being dealt before Alternate Dispute Resolution Committee (ADRC) wherein ADRC has decided to add some components of Other Income as Turnover i.e. Meter / Service Rent, Reconnection Fee, Sale of Scrap and PTV License Collection Charges.

5.8. The amounts were paid including the WHT taxes deducted at source adjustable against the tax liability calculated as Minimum Tax u/s 113 during the FY-2018, FY-2019, FY-2020, FY-

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2021 FY-2022 & FY-2023 as per ADRC Orders. LESCO is making further payments gradually to FBR related to prior years up to FY-201 1 in line with LHC & SC orders judgements. The Authority is requested to allow Rs.17,498 million as prior year adjustment being the actual amount paid as minimum tax payments.

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Years	Provision for Minimum Tax · Charged to P&L	Actual Liability Fixed By FBR	Minimum Tax Payments	Amount Allowed By Authority	PYA
	1	2	3	4	5 = 3-4
FY 2016	-	1,579	38		
FY 2017	1,422	1,752	1,543		
FY 2018	2,076	2,684	2,470		
FY 2019	2,738	3,903	3,903		
FY 2020	3,099	4,987	4,987	448	
FY 2021	4,090	4,983	4,723		
FY 2022	5,418	6,627	5,562		
FY 2023	20,152	7,155	7,047	18,640	
FY 2024*	8,393	8,393	8,393	6,000	
FY 2025 * (Jul-Dec)	9,011	3,920	3,920		
Total	56,399	45,983	42,586	25,088	17,498

<u>True Up Under MYT Regime</u>
<u>Salaries & Wages</u>

5.9. The Petitioner submitted that as per Authority determination for DM indexation for FY 2025 the increase in pay and allowances was assessed on provisional basis vide para-No.4.13 as under:

"It is pertinent to mention here that the Federal Budget for the FY 2024-25, has not yet been announced by the Federal Government, therefore, the budgetary increases of Pay & allowances to be applicable for FY 2024-25, are not available as of to date. In view thereof, the Authority has decided to apply an Adhoc allowance of 15% on provisional basis on the amount of Pay &allowances allowed for the FY 2023-24".

The GoP has announced Adhoc relief for FY 2024 for grade 1-16 @ 25% & for grade 17 & above the projected impact is around Rs.1,840 million for FY 2025. However as per determination the Authority, estimates around Rs.1,361 million, therefore it is requested to allow financial impact amounting to Rs.478 million as PYA.

Further, the pay & allowances of MIRAD department which is established as per direction of the Authority is amounting to Rs.14 million for FY 2021-22 to FY 2023-24 and the same is requested to allow as part of PYA.

5.10. LESCO has accordingly requested for true ups of Pay & Allowances for the FY 2024-25.

5.11. Depreciation: As per MYT-redetermination the depreciation expenses may be adjusted based on actual results. The Authority is requested to allow Rs.452 million against depreciation expenses as prior year adjustment for FY 2023 calculated as per draft Audited Accounts.

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5.12. Other Income: As per MYT redetermination the other income will be adjusted based on actual results. The excess of actual income over determined value for FY 2022-23 is need to be adjusted amounting to Rs.1,260 million as prior year adjustment.

5.13. Sales Mix Variance: The sales mix variance amounting to Rs.3,523 million for FY 2022-23 & Rs.1,779 million for FY 2023-24 has been calculated keeping in view ISP- incremental sales.

Provisions of Post Retirement Benefits

5.14. The Company provides Pension Scheme, Utility allowance and Free Medical Facility Scheme for all its employees. Further, the Company employees are also entitled for accumulated compensated absences which are cashed at the time of retirement up to maximum limit of 365 days. The Company's obligations under these schemes are determined annually by a qualified Actuarial Consultant using projected Unit Credit Actuarial Cost Method. Latest actuarial study has been carried out up to the period 30th June 2024. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefits that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. Past service cost is recognized immediately in the statement of profit or loss.

5.15. Re-measurement of the net defined benefit liability (except for compensated absences), which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefits payments. Net interest expense and other expenses related to defined benefit plan is recognized in profit or loss.

5.16. Re-measurement related to the compensated absences is recognized in the year of occurrence in the statement of profit or loss. As per actuarial valuations report the obligations of company are amounting to Rs. 281 billion as on 30th June 2024. There was substantial charged to P&L and OCI from FY 2015-16 to FY 2023-24 as per Actuaries report the year wise detail of amount charged to P&L and OCI (Other comprehensive Income) along with amount allowed by Authority is given below. The movement of defined benefits obligations as per IAS-19 calculated by Actuaries are as under:

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Years	Opening Liability	Interest & Current Service Cost	Payment	Remeasurement Component Charged to OCI	Closing Liability
2016	70,731	18,065	(2,983)	9,163	94,975
2017	94,975	12,539	(3,742)	14,344	118,117
2018	118,117	18,345	(4,530)	11,795	143,726
2019	143,726	17,429	(5,278)	(3,762)	152,114
2020	152,114	20,663	(6,210)	(3,162)	163,404
2021	163,404	17,906	(6,211)	15,378	190,478
2022	190,478	22,434	(7,550)	1,808	207,169
2023	207,169	31,379	(11,255)	22,308	249,602
2024*	249,602	31,379	(9,039)	5,857	277,799
Total		190,140	(56,801)	73,729	

Note: The Actuarial reports are available upto FY 2023 with the company however, FY 2024 is taken on provisional basis, once the report received from actuaries same will be submitted for kind consideration of the Authority.

5.17. The excess liability than allowed by Authority is worked out based on Actuaries reports are as under;

Present Value of Defined Benefits Obligations

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Years	Opening Liability	Amount Allowed by Authority	Net Expense Charged to P&L	Excess/ (Less) allowed	Remeasurement Component Charged to OCI	Excess of liability Than allowed
	1	2	3	4= 2-3	5	6= 4+5
2016	70,731	9,002	18,065	(9,063)	(9,163)	(18,226)
2017	94,975	9,002	12,539	(3,537)	(14,344)	(17,881)
2018	118,117	9,002	18,345	(9,343)	(11,795)	(21,137)
2019	143,726	9,002	17,429	(8,427)	3,762	(4,665)
2020	152,114	17,419	20,663	(3,244)	3,162	(81)
2021	163,404	17,420	16,369	1,051	(15,378)	(14,327)
2022	190,478	15,678	18,204	(2,526)	(1,808)	(4,334)
2023	207,169	15,678	24,291	(8,613)	(22,308)	(30,921)
2024*	249,602	20,427	20,403	24	(5,857)	(5,833)
Total		122,630	166,308	(43,678)	(73,729)	(117,406)

5.18. Keeping in view the LESCO obligations under IAS-19 towards its pensioners and the amount allowed by Authority on provisional basis company has transferred the amount into pension fund. However, as the liability component which remain unfunded is amounting to Rs, 117 billion due to provisions charged to OCI & P&L (in excess of already allowed amount).

5.19. Keeping in view the above the Authority is requested to allow the unfunded portion of liability in addition to yearly provisions in piecemeal manner to coup up with liability.

Pending Prior Year Adjustments Requested before Authority

5.20. LESCO vide letter No.1928 dated Apr 05, 2024 has requested before Authority to re-assessed prior year adjustments calculated in MYT-determination for FY 2023-24 dated Mar 14, 2024, which is however is pending before Authority. Therefore, it is requested to kindly consider LESCO request and re-assessed the amount of Rs.10,032 million in addition to already assessed PYA as per calculations.

Meters Replacement Cost

5.21. The Petitioner submitted that the Authority vide Tariff determination MYT 2024 dated Mar 14, 2024 para 16.4 determined as under:

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"The Authority in the matter of other DISCOs also observed such significant amount under this head, which was excluded from the expenses and DISCO were directed to capitalize the said cost instead of expensing out. Based on the same analogy, the Authority has decided to exclude cost of meters, while working out R&M expenses of the Petitioner for the FY 2023-24. The Petitioner is directed to capitalize all such costs, as part of their fixed assets, instead of expensing out the same."

5.22. The Petitioner also mentioned that meter replacement cost is not part of Investment plan submitted & approved by Authority for FY 2023-24 to FY 2027-28. As the same was requested as part of O&M cost (which is directed by Authority to capitalize). Therefore, it is requested to allow the meters replacement cost in addition to already approved investment plan. The estimated meters replacement cost is Rs.1,500 million per annum.

Earthing/ Grounding of HT /LT Poles

5.23. The Petitioner submitted that the Authority vide letter dated September 2024 decided as follows:

"The Authority hereby further directs the Licensee to earth/ground alt remaining (100%) steel structures within three months and PCC Poles within one year. Failure to comply with the directions of the Authority may leads towards further penalty on the Licensee which will be decided after the completion of specified timelines."

5.24. Keeping in view the above for compliance of the Authority directions, the estimated amount is Rs.1,714 million required to execute this in addition to R&M cost as the said expense is not part of approved investment plan and Repair & Maintenance expense.

5.25. Regarding minimum tax, the Authority has decided to allow Rs.3,920 million on account of minimum tax paid by the Petitioner for the FY 2025. Here it is pertinent to mention that the Authority in the MYT determination dated 14.03.2024, allowed the Petitioner an amount of Rs.18,640 million on account of minimum tax paid on provisional basis, subject to adjustment in subsequent tariff adjustment/indexation, once the audited accounts of the Petitioner till FY 2022-23 are provided. Since the Audited accounts of the Petitioner are now available up-to FY 2023-24, the Petitioner is directed to provide complete reconciliation of the amount already allowed vis a vis actual payments made to FBR after accounting for any amount of Refund outstanding from FBR.

5.26. Regarding actualization of Pay & Allowances for the FY 2024-25, the Authority noted that as per the MYT determination, the allowed amounts of Pay & Allowances for each year are subject to actualization as per the Audited accounts. Therefore, Pay & Allowances for the FY 2024-25 would be actualized only once the Audited accounts of FY 2024-25 are available. Further, as per the Audited Accounts of LESCO for the FY 2023-24, its Pay & Allowances cost is Rs.24,078 million, against the allowed cost of Rs.22,820 million. Accordingly, in light of the MYT determination of LESCO, whereby the allowed Pay & Allowances cost is to be actualized based on Audited accounts, the Authority may consider to allow differential of Rs.1,258 million for the FY 2023-24 as part of PYA in the instant decision.

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5.27. Regarding request of LESCO to allow unfunded portion of liability in addition to yearly provisions, the Authority in the MYT determination of LESCO dated 14.03.2024, decided to actualize the post-retirement benefits cost of the Petitioner for the relevant year, based on its audited accounts. The impact of any such adjustment would be allowed as part of PYA in the next indexation/ adjustment request or tariff determination as the case may be. As per the Audited accounts of the Petitioner for the FY 2023-24, its provision for post-retirement benefits charged to P&L is Rs.32,908 million, as against the allowed amount of Rs.20,427 million. Therefore, in line with the allowed mechanism, the difference of Rs.12,481 million for the FY 2023-24 may be allowed to LESCO as part of PYA. Since the Petitioner is being allowed the provision as per its Audited accounts, therefore, the claim of the Petitioner to allow additional amount for the unfunded portion of liability for previous years does not merit consideration.

5.28. Regarding Pending Prior Year Adjustments, the Authority noted that this issue has been discussed in the MLR decision of the Petitioner and the amount allowed in the MLR decision has been included in the revenue requirement of LESCO for the FY 2025-26.

5.29. Regarding meter replacement cost, the Authority in the MYT determination of LESCO decided as under;

"While going through the information of provisional amount of Repair & Maintenance expenses submitted by LESCO, it is noted that significant amount under head of Repair of Meter has been included in R&M cost. The Authority in the matter of other DISCOs also observed such significant amount under this head, which was excluded from the expenses and DISCO were directed to capitalize the said cost instead of expensing out. Based on the same analogy, the Authority has decided to exclude cost of meters, while working out R&M expenses of the Petitioner for the FY 2023-24. The Petitioner is directed to capitalize all such costs, as part of their fixed assets, instead of expensing out the same."

5.30. In light of the above determination, the Authority directs the Petitioner to claim cost on account of meter replacement as part of its Investment plan.

5.31. Regarding earthing/ grounding of HT /LT poles, the Authority considers that earthing/ grounding of HT /LT poles is a CAPEX nature cost, therefore, the Petitioner is directed to claim such cost as part of its Investment plan. Accordingly, the request of the Petitioner is not acceded to.

5.32. Keeping in view the above discussion, submissions of LESCO and mechanism provided in the MYT determination, the PYA of LESCO under various heads, has been worked out as detailed hereunder;

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Description	Unit	LESCO
1st Qtr. FY 2023-24 (Jan. Mar. 24)		
Allowed Amount		10,484
Qtr. Rs./kWh		2.54
Recovered		10,313
Under/(Over) Recovery		171
2nd Qtr. FY 2023-24 (Apr. Jun. 24)		
Allowed Amount		15,269
Qtr. Rs./kWh		2.28
Recovered		14,529
Under/(Over) Recovery		740
3rd Qtr. FY 2023-24 (Jun. Aug. 24)		
Allowed Amount		2,528
Qtr. Rs./kWh		0.49
Recovered		3,547
Under/(Over) Recovery		- 1,019
4th Qtr. FY 2023-24 (Sep. Nov. 24)		
Allowed Amount		2,650
Qtr. Rs./kWh		0.47
Recovered		2,427
Under/(Over) Recovery		222
1st Qtr. FY 2024-25 (Dec. 24)		
Allowed Amount		- 722
Qtr. Rs./kWh		0.13
Recovered		- 169
Under/(Over) Recovery		- 553
FCA Impact -Adjusted as PYA	Rs. Mln	144
D.M FY 2023-24		
Allowed Amount	Rs. Mln	56,631
Rate. Rs./kWh	Rs./kWh	2.47
Recovered	Rs. Mln	53,111
Under/(Over) Recovery	Rs. Mln	3,520
Other Cost related to PYA		
RORB FY 2022-23 True up		5,779
Depreciation FY 2022-23 True up		452
Other Income FY 2022-23 True up		- 1,260
Previous PYA difference		8,869
Minimum Tax		3,920
P.M Assistance Package		362
Payroll Fraudulent Financial Reporting		- 107
Total		6,457
Sales Mix Var.		
FY 2022-23	Rs. Mln	676
FY 2023-24	Rs. Mln	1,779
		-
Total MYT True Ups	Rs. Mln	12,136
FY 2023-24		
Provision for Post Retirement Benefit		
Allowed	Rs. Mln	20,427
Benefit Paid/ Provision		32,908
(Shortfall)/ Excess		12,481
Pay & Allowances		
Allowed	Rs. Mln	22,820
Actual	Rs. Mln	24,078
Under/(Over) Recovery	Rs. Mln	1,258
Depreciation		
Allowed	Rs. Mln	6,426
Actual	Rs. Mln	5,696
Under/(Over) Recovery	Rs. Mln	730
RoRB (Investment + KIBOR)		
Allowed	Rs. Mln	17,275
Actual	Rs. Mln	14,237
Under/(Over) Recovery	Rs. Mln	- 3,038
Other Income		
Allowed	Rs. Mln	9,795
Actual	Rs. Mln	15,830
Under/(Over) Recovery	Rs. Mln	- 6,035
Total MYT True Ups	Rs. Mln	3,936
G. Total PYA	Rs. Mln	16,072

6. <u>Whether the existing quantum of fixed charges along-with application mechanism for different consumers categories needs to be revised in order to ensure recovery of fixed cost portion of revenue requirement in line with Strategic Directives given in NE Plan?</u>

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6.1. On the issue of fixed charges, the Petitioner during the hearing submitted that reference can be made to **SD-74 NEP** which provides as under,

"Fixed charges shall be progressively incorporated in the tariffs of all consumer segments except consumers of protected category. Such fixed charges shall duly account for, inter alia, share of capacity cost in cost of service, market interventions, consumption behaviors and affordability of consumers. It is aimed that by FY-2027, the fixed charges shall account for at least 20% of the fixed cost of the respective categories evaluated through a cost-of-service study"

6.2. Regarding revision in quantum of fixed charges and their application mechanism, the Authority noted that average tariff for the FY 2025-26 has decreased by approximately Rs.1.5/kWh as compared to FY 2024-25. If the rate of fixed charges for FY 2025-26 is maintained at the same level as of FY 2024-25, the effective percentage of fixed charges being recovered, as of total cost, would increase in FY 2025-26 as compared to FY 2024-25. In view thereof, the Authority has decided to maintain the rate of fixed charges along-with its application mechanism, at the same level as of FY 2024-25 for the FY 2025-26.

7. **Whether the peak and off-peak timing and rate design needs to be revised, keeping in view the changing demand patterns?**

7.1. On the issue of peak and off-peak timing and rate design, the Petitioner referred to SD-75 of NE Plan as under;

Regulator shall periodically assess and adjust accordingly (as required) the applicable peak rates and associated peak hours for electricity consumers on the basis of, inter alia, demand-supply balance, price elasticity of demand, daily & seasonal cycles and marginal costs".

7.2. Thus, SD-75 has, inter alia, subjected such change to the assessment to be carried out by the Regulator. However, any change shall require change or reprogramming of meters.

7.3. Regarding the issue of peak- off-peak timings and its rate design revision, the Authority noted that vide its decision dated 09.05.2025, keeping in view the technical and financial challenges faced by Distribution Companies (DISCOs) arising from the growing penetration of Distributed Generation (DG), as well as the misalignment between actual system peak and off-peak demand and the designated peak/off-peak hours used in consumer-end tariff determinations, the DISCOs have already been directed to undertake a comprehensive study as outlined below, to thoroughly examine these issues and be submitted within four months for the Authority's consideration.

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

7.4. The Authority has further directed all DISCOs to jointly develop, through mutual consultation, a uniform Terms of Reference (ToR) to carry out the above studies and submit

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the same to NEPRA within two weeks of the issuance of this determination for the Authority's approval.

7.5. In view thereof, the revision in peak and off-peak timings, if required, would be considered, once the aforementioned studies are submitted by the DISCOs. Accordingly, the Authority has decided to continue with the existing mechanism of peak / off-peak hours and prevailing rate design.

8. **Whether the schedule of tariff be designed on cost-of-service basis or otherwise?**

8.1. The Petitioner during the hearing submitted that clauses 82, 83 & 84 of the NE Plan requires that the Schedule of Tariff should be made reflective of the Cost of Service without inter-tariff cross subsidy. However, till implementation of subsidy disbursement mechanism (**SD 67**) and action plan thereof (**SD 68**), the subsidy to the protected residential consumer may continue.

8.2. The Authority observed that as per NE Plan 2023-27 under SD 82, Tariffs for residential consumers shall be progressively adjusted to align with the principle of cost-of-service, taking into account the following:

- ✓ Subsidies to the protected categories of residential consumers shall be disbursed directly pursuant to the detailed action plan to be developed under Strategic Directive 067;
- ✓ Residential consumers (below cost recovery) shall be cross subsidized by:
    - i. industrial & commercial consumers, pursuant to the Strategic Directive 084;
    - ii. Other residential consumers (above cost recovery).

8.3. Similarly, SD 83 states that Tariff structure for agricultural consumers shall be segmented into sub-categories, taking into account the following:

- ✓ subsidies to the agricultural consumers shall be disbursed pursuant to the detailed action plan to be developed under Strategic Directive 068;
- ✓ Agricultural consumers (below cost recovery) shall be cross-subsidized by:
    - i. industrial & commercial consumers, pursuant to the Strategic Directive 084;
    - ii. Other agricultural consumers (above cost recovery).

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

8.5. The Authority noted that as per different provisions of NE Plan mentioned above, tariff for residential consumers is progressively to be aligned with the principle of cost-of-service, and till such time, residential consumers below cost of service shall be cross subsidized by Industrial and Commercial consumers and other residential consumers. Similarly, for Agriculture consumers, the tariff structure same shall be segmented into sub-categories and agriculture consumers below cost of service shall be cross subsidized by Industrial and Commercial consumers and other agriculture consumers.

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8.6. In view thereof, the Authority has decided to gradually reduce the quantum of cross subsidization among different consumer categories and the SoTs for the FY 2025-26, have been designed accordingly.

9. **LESCO to present its Power Purchases Price (Energy & Cost) for the FY 2025-26, keeping in view the Section 32 of NEPRA Act and NEPRA Power Procurement Regulations?**

9.1. The Petitioner during hearing submitted that Power Purchase Price (PPP) for the FY 2025-26 has been computed on the basis of actual/ projected results (July-Feb) for the FY 2024-25 with same trend as shown in the table below;

	Actual	*Projected*	*Projected*
Description	2023-24	2024-25	2025-26
	Jul-Jun	Jul-Jun	Jul-Jun
Energy charges	238,931	226,985	254,903
Capacity Charges	367,816	349,425	368,998
UOSC+MOF	32,868	30,326	32,160
Total	639,616	606,735	656,060

9.2. The Authority noted that Power Purchase Price (PPP) forecast of the Petitioner as well for all XWDISCOs for the FY 2025-26 has since been determined by the Authority through a separate decision, detailing the assumptions of the forecast and relevant share of the Petitioner. In view thereof, the Authority does not see any rationale to discuss this issue again herein in the instant decision. However, for the purpose of calculation of overall revenue requirement of the Petitioner, the PPP forecast for the FY 2025-26 as determined by the Authority, has been made part of the overall Revenue Requirement of the Petitioner. Further, Annex-II of the PPP decision, to the extent of the Petitioner, has been attached as Annex-IV with the instant decision. The PPP forecast of the Petitioner for the FY 2025-26 shall be used as reference for future adjustments of PPP including the monthly and quarterly adjustments.

10. **Whether the Petitioner has complied with directions issued by the Authority?**

10.1. The Petitioner during the hearing provided the following updates in the matter;

- ✓ On the direction of reconciliation of data of sales mix, the Petitioner submitted that data provided is as per the subsidy statement which is also verified by Commercial Auditor.
- ✓ On the direction to provide details of GENCO employees, the Petitioner stated that no GENCO employee is absorbed by LESCO till date.
- ✓ Regarding detail of amounts deposited in the Fund, the Petitioner provided the said details along-with its Petition.
- ✓ On the point of IDC amount, the Petitioner stated that amount for FY 2024 is nil.
- ✓ Regarding direction to get its data of units billed to lifeline consumers, domestic consumers (consuming up to 300 units) and Agriculture consumers', reconciled with PITC, the Petitioner submitted that data provided is as per the subsidy statement which is also verified by Commercial Auditors up-to FY 2023. For FY 2024, it is under process of the Audit.
- ✓ On the point of different proposals of tariff design so as to make it more efficient and cost reflective with the objective to maximize the utilization of available capacity, the

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Petitioner has proposed progressive incorporation of fixed charges as per NEP, incentive for higher consumption and rationalisation of fixed charges on the basis of sanctioned load or connected load, whichever is higher.

- ✓ Regarding preparation of restructuring plan in consultation with the Federal Government, the Petitioner submitted that the MoE (PD) vide letter dated 14.11.2024 has requested NEPRA to amend the supplier & Distribution Licenses by removing the provisions mandating the legal separation of supply & Distribution businesses, while retaining the requirement of functional separation so that the licensees are in the conformity with applicable framework. LESCO has already filed motion for leave for review of order of the Authority regarding Electric power supply license.
- ✓ On the point of recording MDI for all consumers at all levels, the Petitioner stated that all MDIs are being recorded/charged for the category of Industry, Commercial & Bulk Supply. For other categories of consumers, the requisite MDI is recorded in the metering equipment

11. **Revenue Requirement**

11.1. In view of the discussion made in preceding paragraphs & accounting for the adjustments discussed above, adjusted revenue requirement of LESCO for the FY 2025-26 is as under;

Description	Unit	Allowed FY 2025-26	
		DoP	SoP
Units Received	[MkWh]	25,919	25,919
Units Sold	[MkWh]	23,644	23,644
Units Lost	[MkWh]	2,276	2,276
Units Lost	[%]	8.78%	8.78%
Energy Charge			250,445
Capacity Charge			364,781
Transmission Charge & Market Operation Fee			35,770
Wire Business UoSC			65,571
Power Purchase Price	[Mln. Rs.]	-	716,566
Pay & Allowances		25,494	2,482
Post Retirement Benefits		22,136	2,155
Repair & Maintainance		2,758	268
Traveling allowance Vehicle maintenance Other expenses		5,863	570
O&M Cost	[Mln. Rs.]	56,250	5,475
Depriciation		7,375	-
RORB		14,038	-
O.Income		(12,093)	(897)
Margin	[Mln. Rs.]	65,571	4,578
Prior Year Adjustment			16,072
Revenue Requirement	[Mln. Rs.]	65,571	737,216
Average Tariff	[Rs./kWh]	2.77	31.18

11.2. The above determined revenue shall be recovered from the consumers through the projected sales of 23,644 GWhs, as per Annex – II.

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

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12. ORDER

12.1. From what has been discussed above, the Authority hereby approves the following adjustments in the MYT of the Petitioner Company for the Financial Year 2025-26;

I. Lahore Electric Supply Company Limited (LESCO), being a supplier, is allowed to charge its consumers such tariff as set out in the schedule of tariff for LESCO annexed to the decision.

II. In addition to compensation of losses, LESCO, being a distribution licensee, is allowed to charge the users of its system a "Use of system charge" (UOSC) as under:

Description	For 132 kV only	For 11 kV only	For both 132kV & 11 kV
Asset Allocation	39.92%	31.90%	71.82%
Level of Losses	1.63%	5.82%	7.36%
UoSC Rs./kWh	1.30	1.20	2.58

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

IV. To file future monthly & quarterly adjustments on account of Power Purchase Price (PPP) in line with MYT determination, NEPRA Act and other applicable documents.

V. The Petitioner shall comply with the Tariff terms & Conditions for supply of electricity as annexed with decision as Annex-V.

13. Summary of Direction

13.1. The Authority hereby directs the Petitioner to;

- provide the reconciled date of sales mix with its reported revenue as per audited financial statements each year.
- provide details of GENCO employees, if any, in terms of pay scales, terms of adoption, approvals of competent authority for such adoption and placement details along-with their financial impact.
- provide year wise detail of amounts deposited in the Fund, amount withdrawn along-with profit/interest earned thereon since creation of Fund each year.
- provide the IDC amount with subsequent adjustment request and reflect the same in its Audited Financial Statements.
- get its data, regarding units billed to lifeline consumers, domestic consumers (consuming up-to 300 units) and Agriculture consumers', reconciled with PITC and submit such reconciliation to the Authority every year.
- ensure that by the time it files its next tariff petition/ adjustment request, MDI for all consumers at all levels is properly recorded.

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

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15. The instant decision of the Authority and the Order part along with Annex-I, I-A, II, III, IV and V, be also notified in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, while notifying the uniform tariff application decision of the Authority.

AUTHORITY

Rafique Ahmed Shaikh
Member

Amina Ahmed
Member

Engr. Maqsood Anwar Khan
Member

Waseem Mukhtar
Chairman

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Annex-I

FUEL PRICE ADJUSTMENT MECHANISM

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

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

Where:

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

Actual fuel cost component is the fuel cost component in the pool price on which the DISCOs will be charged by CPPA (G) 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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Annex-I-A

QUARTERLY ADJUSTMENT MECHANISM

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

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

Where;

PPP$_{(Actual)}$ is the actual cost, excluding Fuel cost, invoiced by CPPA-G to XWDISCOs, adjusted for any cost disallowed by the Authority.

PPP$_{(Recovered)}$ is the amount recovered based on reference rate in Rs./kWh, excluding fuel cost, as per the Annex-IV of the XWDISCOs determination that remained notified during the period.

Impact of T&D losses on FCA

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

Where;

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

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

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

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Lahore Electric Supply Company (LESCO)
Estimated Sales Revenue on the Basis of New Tariff

Description	Sales	Revenue			Base Tariff			PYA		Total Tariff		
	GWh	Fixed Charge	Variable Charge	Total	Fixed Charge	Fixed Charge	Variable Charge	Amount	Variable Charge	Fixed Charge	Fixed Charge	Variable Charge
		Mln. Rs.	Mln. Rs.	Mln. Rs.	Rs./Con/ M	Rs./kW/ M	Rs./ kWh	Mln. Rs.	Rs./ kWh	Rs./Con/ M	Rs./kW/ M	Rs./ kWh
Residential												
For peak load requirement less than 5 kW												
Protected												
Up to 50 Units - Life Line	38	-	373	373	-	-	9.93			-	-	9.93
51-100 units - Life Line	54	-	733	733	-	-	13.64			-	-	13.64
01-100 Units	1893	-	52,081	52,081	-	-	27.52	1,292	0.68	-	-	28.20
101-200 Units	514	-	15,362	15,362	-	-	29.89	351	0.68	-	-	30.57
Un-Protected												
01-100 Units	634	-	18,108	18,108	-	-	28.55	433	0.68	-	-	29.23
101-200 Units	1259	-	38,129	38,129	-	-	30.29	859	0.68	-	-	30.98
201-300 Units	2057	-	70,391	70,391	-	-	34.21	1,404	0.68	-	-	34.90
301-400 Units	1050	351	37,205	37,556	200	-	35.42	717	0.68	200	-	36.10
401-500 Units	581	251	21,333	21,584	400	-	36.71	397	0.68	400	-	37.39
501-600 Units	347	157	13,211	13,368	600	-	38.08	237	0.68	600	-	38.76
601-700Units	222	103	8,744	8,847	800	-	39.40	151	0.68	800	-	40.08
Above 700 Units	526	207	23,203	23,410	1,000	-	44.13	359	0.68	1,000	-	44.81
For peak load requirement exceeding 5 kW)												
Time of Use (TOU) - Peak	257	2,315	10,862	13,177	1,000	-	42.19	176	0.68	1,000	-	42.88
Time of Use (TOU) - Off-Peak	1096	-	39,306	39,306	1,000	-	35.86	749	0.68	1,000	-	36.55
Temporary Supply	0	2	19	21	2,000	-	54.54	0	0.68	2,000	-	55.22
Total Residential	10,528	3,385	349,060	352,445				7,122				
Commercial - A2												
For peak load requirement less than 5 kW	645	5,965	21,765	27,730	1,000	-	33.73	440	0.68	1,000	-	34.42
For peak load requirement exceeding 5 kW					-	-						
Regular	14	67	504	571	-	1,250	35.11	10	0.68	-	1,250	35.79
Time of Use (TOU) - Peak	250	-	10,421	10,421	-	-	41.65	171	0.68	-	-	42.33
Time of Use (TOU) - Off-Peak	1044	8,279	32,448	40,727	-	1,250	31.08	712	0.68	-	1,250	31.77
Temporary Supply	51	36	2,472	2,508	5,000	-	48.87	35	0.68	5,000	-	49.55
Electric Vehicle Charging Station	0	-	-	-	-	-	39.91	-	0.68	-	-	40.60
Total Commercial	2,004	14,348	67,610	81,957				1,368				
General Services-A3	831	229	31,571	31,800	1,000	-	37.98	567	0.68	1,000	-	38.66
Industrial												
B1	18	68	404	473	1,000	-	22.96	12	0.68	1,000	-	23.65
B1 Peak	76	-	2,148	2,148	-	-	28.34	52	0.68	-	-	29.02
B1 Off Peak	390	520.68	8,559	9,080	1,000	-	21.92	266	0.68	1,000	-	22.60
B2	18	75	363	438	-	1,250	20.66	12	0.68	-	1,250	21.35
B2 - TOU (Peak)	361	-	10,085	10,085	-	-	27.90	247	0.68	-	-	28.58
B2 - TOU (Off-peak)	1912	12,820	36,888	49,708	-	1,250	19.30	1,304	0.68	-	1,250	19.98
B3 - TOU (Peak)	512	-	13,423	13,423	-	-	26.21	349	0.68	-	-	26.89
B3 - TOU (Off-peak)	3251	14,320	55,360	69,680	-	1,250	17.03	2,219	0.68	-	1,250	17.71
B4 - TOU (Peak)	170	-	4,219	4,219	-	-	24.77	116	0.68	-	-	25.45
B4 - TOU (Off-peak)	1466	6,227	22,398	28,625	-	1,250	15.28	1,000	0.68	-	1,250	15.96
Temporary Supply	18	1	590	591	5,000	-	32.79	12	0.68	5,000	-	33.48
Total Industrial	8,192	34,032	154,438	188,469				5,590				
Single Point Supply												
C1(a) Supply at 400 Volts-less than 5 kW	14	0	492	492	2,000	-	35.92	9	0.68	2,000	-	36.61
C1(b) Supply at 400 Volts-exceeding 5 kW	1	5	45	50	-	1,250	33.52	1	0.68	-	1,250	34.20
Time of Use (TOU) - Peak	4	-	151	151	-	-	42.85	2	0.68	-	-	43.54
Time of Use (TOU) - Off-Peak	21	49	697	746	-	1,250	33.25	14	0.68	-	1,250	33.93
C2 Supply at 11 kV	70	219	2,543	2,762	-	1,250	36.32	48	0.68	-	1,250	37.00
Time of Use (TOU) - Peak	71	-	3,150	3,150	-	-	44.64	48	0.68	-	-	45.32
Time of Use (TOU) - Off-Peak	295	1,441	9,694	11,135	-	1,250	32.83	201	0.68	-	1,250	33.51
C3 Supply above 11 kV	0	-	-	-	-	1,250	34.02	-	0.68	-	1,250	34.70
Time of Use (TOU) - Peak	64	-	2,767	2,767	-	-	43.25	44	0.68	-	-	43.94
Time of Use (TOU) - Off-Peak	261	1,191	8,192	9,382	-	1,250	31.39	178	0.68	-	1,250	32.07
Total Single Point Supply	800	2,905	27,731	30,635				546				
Agricultural Tube-wells - Tariff D												
Scarp	0	-	11	11	-	-	33.44	0	0.68	-	-	34.13
Time of Use (TOU) - Peak	0	-	13	13	-	-	26.42	0	0.68	-	-	27.10
Time of Use (TOU) - Off-Peak	2	3	36	39	-	400	19.73	1	0.68	-	400	20.42
Agricultural Tube-wells	41	59	791	850	-	400	19.15	28	0.68	-	400	19.84
Time of Use (TOU) - Peak	194	-	4,926	4,926	-	-	25.34	133	0.68	-	-	26.03
Time of Use (TOU) - Off-Peak	876	2,107	21,181	23,288	-	400	24.17	598	0.68	-	400	24.85
Total Agricultural	1,115	2,169	26,958	29,127				761				
Public Lighting - Tariff G	165	44	6,370	6,414	2,000	-	38.54	113	0.68	2,000	-	39.22
Residential Colonies	8	4	293	297	2,000	-	38.99	5	0.68	2,000	-	39.68
Railway Traction	0	0	-	0	2,000	-	41.75	-	0.68	2,000	-	42.43
	173	48	6,663	6,711				118				
Pre-Paid Supply Tariff												
Residential	-	-	-	-	1,000	-	46.84		0.68	1,000	-	47.52
Commercial - A2	-	-	-	-	-	1,250	44.14		0.68	-	1,250	44.82
General Services-A3	-	-	-	-	1,000	-	43.68		0.68	1,000	-	44.36
Industrial	-	-	-	-	-	1,250	26.71		0.68	-	1,250	27.39
Single Point Supply	-	-	-	-	-	1,250	42.32		0.68	-	1,250	43.00
Agricultural Tube-wells - Tariff D	-	-	-	-	-	400	28.42		0.68	-	400	29.10
Grand Total	23,644	57,115	664,030	721,144				16,072				

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

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SCHEDULE OF ELECTRICITY TARIFFS FOR LAHORE ELECTRIC SUPPLY COMPANY (LESCO)

A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL

	Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cons. / M	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh		FPA Rs/kWh		Total Variable Charges Rs/kWh	
			A	B	C		D		E= C+D	
	a)	For Sanctioned load less than 5 kW								
Protected	i	Up to 50 Units - Life Line	-		9.93		-		9.93	
Protected	ii	51 - 100 Units - Life Line	-		13.64		-		13.64	
Protected	iii	001 - 100 Units	-		27.52		0.68		28.20	
Protected	iv	101 - 200 Units	-		29.39		0.68		30.07	
Un-Protected	v	001 - 100 Units	-		28.65		0.68		29.33	
Un-Protected	vi	101 - 200 Units	-		30.29		0.68		30.97	
Un-Protected	iv	201 - 300 Units	-		34.21		0.68		34.90	
Un-Protected	viii	301 - 400 Units	200		35.42		0.68		36.10	
Un-Protected	ix	401 - 500 Units	400		36.71		0.68		37.39	
Un-Protected	x	501 - 600 Units	600		38.08		0.68		38.76	
Un-Protected	xi	601 - 700 Units	800		39.40		0.68		40.08	
Un-Protected	vi	Above 700 Units	1,000		44.13		0.68		44.81	
	b)	For Sanctioned load 5 kW & above			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
		Time Of Use	1,000		42.19	35.88	0.68	0.68	42.88	36.56
	c)	Pre-Paid Residential Supply Tariff	1,000		46.84		0.68		47.52	

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

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

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

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

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

A-2 GENERAL SUPPLY TARIFF - COMMERCIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cons. / M	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh		FPA Rs/kWh		Total Variable Charges Rs/kWh	
		A	B	C		D		E= C+D	
a)	For Sanctioned load less than 5 kW	1,000		33.74		0.68		34.42	
b)	For Sanctioned load 5 kW & above		1,250	35.11		0.68		35.79	
				Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
c)	Time Of Use	-	1,250	41.65	31.09	0.68	0.68	42.33	31.77
d)	Electric Vehicle Charging Station	-		39.92		0.68		40.60	
e)	Pre-Paid Commercial Supply Tariff		1,250	44.14		0.68		44.82	

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

A-3 GENERAL SERVICES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cons. / M	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	FPA Rs/kWh	Total Variable Charges Rs/kWh
		A	B	C	D	E= C+D
a)	General Services	1,000	-	37.98	0.68	38.66
c)	Pre-Paid General Services Supply Tariff	1,000	-	43.68	0.68	44.36

B - INDUSTRIAL SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cons. / M	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh		FPA Rs/kWh		Total Variable Charges Rs/kWh	
		A	B	C		D		E= C+D	
B1	Upto 25 kW (at 400/230 Volts)	1,000	-	22.96		0.68		23.65	
B2(a)	exceeding 25-500 kW (at 400 Volts)	-	1,250	20.66		0.68		21.35	
	Time Of Use			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
B1 (b)	Up to 25 KW	1,000		28.34	21.92	0.68	0.68	29.02	22.60
B2(b)	exceeding 25-500 kW (at 400 Volts)	-	1,250	27.90	19.30	0.68	0.68	28.58	19.98
B3	For All Loads up to 5000 kW (at 11,33 kV)	-	1,250	26.21	17.03	0.68	0.68	26.89	17.71
B4	For All Loads (at 66,132 kV & above)	-	1,250	24.77	18.28	0.68	0.68	25.45	18.96
Pre-Paid Industrial Supply Tariff		-	1,250	26.71		0.68		27.39	

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

C - SINGLE-POINT SUPPLY

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cons. / M	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh		FPA Rs/kWh		Total Variable Charges Rs/kWh	
		A	B	C		D		E= C+D	
C -1	For supply at 400/230 Volts								
a)	Sanctioned load less than 5 kW	2,000		35.92		0.68		36.61	
b)	Sanctioned load 5 kW & up to 500 kW	-	1,250	33.52		0.68		34.20	
C -2(a)	For supply at 11,33 kV up to and including 5000 kW	-	1,250	36.32		0.68		37.00	
C -3(a)	For supply at 66 kV & above and sanctioned load above 5000 kW	-	1,250	34.02		0.68		34.70	
	Time Of Use			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
C -1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	-	1,250	42.65	33.25	0.68	0.68	43.34	33.93
C -2(b)	For supply at 11,33 kV up to and including 5000 kW	-	1,250	44.64	32.93	0.68	0.68	45.32	33.61
C -3(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	-	1,250	43.26	31.39	0.68	0.68	43.94	32.07
Pre-Paid Bulk Supply Tariff			1,250	42.32		0.68		43.00	

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

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SCHEDULE OF ELECTRICITY TARIFFS
FOR LAHORE ELECTRIC SUPPLY COMPANY (LESCO)

D - AGRICULTURE TARIFF

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cons. / M	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh		FYA Rs/kWh		Total Variable Charges Rs/kWh	
		A	B	C		D		E= C+D	
D-1(a)	SCARP less than 5 kW	-	-	33.44		0.68		34.12	
D-2 (a)	Agricultural Tube Wells	-	400	19.16		0.68		19.84	
				Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
D-1(b)	SCARP 5 kW & above	-	400	26.42	19.73	0.68	0.68	27.10	20.42
D-2 (b)	Agricultural 5 kW & above	-	400	25.34	24.17	0.68	0.68	26.03	24.85
Pre-Paid for Agri & Scarp		-	400	28.42		0.68		29.10	

Under this tariff, there shall be minimum monthly charges Rs.2000/- per consumer per month, even if no energy is consumed.

Note- The consumers having sanctioned load less than 5 kW can opt for TOU metering.

E - TEMPORARY SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cons. / M	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	FYA Rs/kWh	Total Variable Charges Rs/kWh
		A	B	C	D	E= C+D
E-1(i)	Residential Supply	2,000		64.54	0.68	65.22
E-1(ii)	Commercial Supply	5,000		48.87	0.68	49.55
E-2	Industrial Supply	5,000		32.79	0.68	33.48

F - SEASONAL INDUSTRIAL SUPPLY TARIFF

125% of relevant industrial tariff

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

G- PUBLIC LIGHTING

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cons. / M	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	FYA Rs/kWh	Total Variable Charges Rs/kWh
		A	B	C	D	E= C+D
	Street Lighting	2,000		38.54	0.68	39.22

H- RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cons. / M	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	FYA Rs/kWh	Total Variable Charges Rs/kWh
		A	B	C	D	E= C+D
	Residential Colonies attached to industrial premises	2,000		38.99	0.68	39.68

H -RAILWAY TRACTION

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cons. / M	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	FYA Rs/kWh	Total Variable Charges Rs/kWh
		A	B	C	D	E= C+D
	Railway Traction	2,000		41.75	0.68	42.43

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

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LESCO

Annex-IV

Description	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Purchased by DISCOs (GWh)	3,071	2,794	2,626	2,180	1,539	1,529	1,652	1,389	1,587	2,057	2,670	2,825	25,919

Fuel Cost Component	9.8758	7.3149	7.6554	9.3685	6.8803	9.1419	11.6407	8.7350	10.0255	8.9076	8.8551	10.6722	9.0763
Variable O&M	0.6218	0.5586	0.5839	0.6207	0.4632	0.5293	0.6895	0.5568	0.5320	0.5289	0.6178	0.6445	0.5862
Capacity	10.8778	11.4888	12.4541	14.1632	18.3050	18.5351	17.9036	17.0408	15.6890	14.6120	13.6950	12.1807	14.0737
UoSC	1.1635	1.1671	1.2588	1.4645	1.7749	1.7779	1.7022	1.6915	1.4606	1.3551	1.2501	1.1973	1.3801
Total PPP in Rs./kWh	22.5390	20.5295	21.9523	25.6170	27.4235	29.9842	31.9359	28.0242	27.7072	25.4036	24.4179	24.6946	25.1163

Rs. in million

Fuel Cost Component	30,325	20,438	20,106	20,420	10,587	13,977	19,233	12,137	15,915	18,323	23,644	30,144	235,250
Variable O&M	1,909	1,561	1,534	1,353	713	809	1,139	774	845	1,088	1,650	1,820	15,194
Capacity	33,402	32,101	32,710	30,871	28,165	28,339	29,580	23,677	24,906	30,057	36,568	34,405	364,781
UoSC	3,573	3,261	3,306	3,192	2,731	2,718	2,812	2,350	2,319	2,787	3,338	3,382	35,770
Total PPP in Rs.Mln	69,209	57,361	57,656	55,836	42,196	45,844	52,765	38,938	43,984	52,256	65,199	69,751	650,996

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

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Annex-V

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

PART-I

GENERAL DEFINITIONS

The Company, for the purposes of these terms and conditions means LESCO engaged in the business of distribution/supply of electricity within the territory mentioned in the licence granted to it for this purpose.

1. "Month or Billing Period", unless otherwise defined for any particular tariff category, means a billing month of 31 days or less reckoned from the date of last meter reading.

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

2. "Minimum Charge", means a charge to recover the costs for providing customer service to consumers even if no energy is consumed during the month.

3. "Fixed Charge" means the part of sale rate in a two-part tariff to be recovered on the basis of "Billing Demand" in kilowatt on monthly basis.

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

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

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

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

5. "Variable Charge" means the sale rate per kilowatt-hour (kWh) as a single rate or part of a two-part tariff applicable to the actual kWh consumed by the consumer during a billing period.

6. "Maximum Demand" where applicable, means the maximum of the demand obtained in any month measured over successive periods each of 30 minutes' duration except in the case of consumption related to Arc Furnaces, where "Maximum Demand" shall mean the maximum of the demand obtained in any month measured over successive periods each of 15 minutes' duration.

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,.

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9. Point of supply means metering point where electricity is delivered to the consumer.

10. Peak and Off Peak hours for the application of Time Of Use (TOU) Tariff shall be the following time periods in a day:

	* PEAK TIMING	OFF-PEAK TIMING
Dec to Feb (inclusive)	5 PM to 9 PM	Remaining 20 hours of the day
Mar to May (inclusive)	6 PM to 10 PM	-do-
June to Aug (inclusive)	7 PM to 11 PM	-do-
Sept to Nov (inclusive)	6 PM to 10 PM	-do-

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

11. "Supply", means the supply for single-phase/three-phase appliances inclusive of both general and motive loads subject to the conditions that in case of connected or sanctioned load 5 kW and above supply shall be given at three-phase.

12. "Consumer" as defined in NEPRA Act.

13. "Charitable Institution" means an institution, which works for the general welfare of the public on no profit basis and is registered with the Federal or Provincial Government as such and has been issued tax exemption certificate by Federal Board of Revenue (FBR).

14. NTDC means the National Transmission and Despatch Company.

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

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

GENERAL CONDITIONS

1. "The Company shall render bills to the consumers on a monthly basis or less on the specific request of a consumer for payment by the due date.

2. The Company shall ensure that bills are delivered to consumers at least seven days before the due date. If any bill is not paid by the consumer in full within the due date, a Late Payment Surcharge (LPS) of 5% may be levied for next three (03) days after the due date and thereafter 10% LPS may be charged on the amount billed excluding Govt. taxes and duties etc. In case bill is not served at least seven days before the due date then late payment surcharge will be levied after 7th day from the date of delivery of bill.

3. The supply provided to the consumers shall not be available for resale.

4. In the case of two-part tariff average Power Factor of a consumer at the point of supply shall not be less than 90%. In the event of the said Power factor falling below 90%, the consumer shall pay a penalty of two percent increase in the fixed charges determined with reference to maximum demand during the month corresponding to one percent decrease in the power factor below 90%.

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PART-II

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

A-1 RESIDENTIAL

Definition

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

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

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

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

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

A-2 COMMERCIAL

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

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3. The Electric Vehicle Charging Station shall provide "charging service" to Electric Vehicle shall provide charging service to Electric Vehicles as per the applicable tariff for EVCS, plus margin, to be determined by the market forces itself. The EVCS shall be billed by DISCOS under A-2(d) tariff. However, monthly FCAs either positive or negative shall not be applicable on EVCS.

4. Consumers under tariff A-2 having sanctioned load of less than 5 kW shall be billed under a Single-Part kWh rate A-2(a)

5. All existing consumers under tariff A-2 having sanctioned load 5 kW and above shall be billed on A-2(b) tariff till such time that they are provided T.O.U metering arrangement; thereafter such consumers shall be billed on T.O.U tariff A-2(c).

6. The existing and prospective consumers having load of 5 kW and above shall be provided T.O.U metering arrangement and shall be billed under tariff A-2(c).

A-3 GENERAL SERVICES

1. This tariff is applicable to;

   i. Approved religious and charitable institutions

   ii. Government and Semi-Government offices and Institutions

   iii. Government Hospitals and dispensaries

   iv. Educational institutions

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

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

B INDUSTRIAL SUPPLY

Definitions

1. "Industrial Supply" means the supply for bona fide industrial purposes in factories including the supply required for the offices inside the premises and for normal working of the industry.

2. For the purposes of application of this tariff an "Industry" means a bona fide undertaking or establishment engaged in manufacturing, value addition and/or processing of goods.

3. This Tariff shall also be available for consumers having single-metering arrangement such as;

   i) Poultry Farms

   ii) Fish Hatcheries, fish farms, fish nurseries & Breeding Farms and

   iii) Software houses

Conditions

An industrial consumer shall have the option, to switch over to seasonal Tariff-F, provided his connection is seasonal in nature as defined under Tariff-F, and he undertakes to abide by the terms and conditions of Tariff-F and pays the difference of security deposit rates previously deposited and those applicable to tariff-F at the time of acceptance of option for seasonal tariff. Seasonal tariff will be applicable from the date of commencement of the season, as specified by the customers at the time of submitting the option for Tariff-F. Tariff-F consumers will have the option to convert to corresponding Regular Industrial Tariff category and vice versa. This option can be exercised at the time of obtaining a new connection or at the beginning of the season. Once exercised, the option will remain in force for at least one year.

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B -1 SUPPLY AT 400 VOLTS THREEPHASE AND/OR 230 VOLTS SINGLE PHASE

1. This tariff is applicable for supply to Industries having sanctioned load upto 25 kW.
2. Consumers having sanctioned load upto 25 kW shall be billed on single-part kWh rate.
3. Consumers under tariff B-1 having sanctioned load of less than 5 kW shall be billed under a Single-Part kWh rate. However, B-1 consumers having sanctioned load of less than 5 kW may opt for ToU meter
4. The existing and prospective consumers having load of 5 kW and above shall be provided T.O.U metering arrangement and shall be billed under tariff B1(b).

B-2 SUPPLY AT 400 VOLTS

1. This tariff is applicable for supply to Industries having sanctioned load of more than 25 kW up to and including 500 kW.
2. All existing consumers under tariff B-2 shall be provided T.O.U metering arrangement by the Company and converted to B-2(b) Tariff.
3. All new applicants i.e. prospective consumers applying for service to the Company shall be provided T.O.U metering arrangement and charged according to the applicable T.O.U tariff.

B-3 SUPPLY AT 11 kV AND 33 kV

1. This tariff is applicable for supply to Industries having sanctioned load of more than 500 kW up to and including 5 MW and also for Industries having sanctioned load of 500 kW or below who opt for receiving supply at 11 kV or 33 kV.
2. The consumers may be allowed extension of load beyond 5MW upto 7.5MW from the DISCO's owned grid station subject to availability of load in the grid and capacity in the 11kV existing dedicated feeder. In such a case the consumer will bear 100% grid sharing charges including transmission line charges and 100% cost of land proportionate to load. While allowing extension in load, the DISCOs shall ensure that no additional line losses are incurred and additional loss, if any, shall be borne by the respective consumers.
3. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.
4. The supply under this Tariff shall not be available to a prospective consumer unless he provides, to the satisfaction and approval of the Company, his own Transformer, Circuit Breakers and other necessary equipment as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively pays to the Company for all apparatus and equipment if so provided and installed by the Company. The recovery of the cost of service connection shall be regulated by the Eligibility Criteria laid down by the Authority read with Consumer Service Manual (CSM).
5. All B-3 Industrial Consumers shall be billed on the basis of T.O.U tariff given in the Schedule of Tariff.

B-4 SUPPLY AT 66 kV, 132 kV AND ABOVE

1. This tariff is applicable for supply to Industries for all loads of more than 5MW receiving supply at 66 kV, 132 kV and above and also for Industries having load of 5MW or below who opt to receive supply at 66 kV or 132 kV and above.
2. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this

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acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.

3. If the Grid Station required for provision of supply falls within the purview of the dedicated system under the Eligibility Criteria laid down by the Authority read with CSM, the supply under this Tariff shall not be available to such a prospective consumer unless he provides, to the satisfaction and approval of the Company, an independent grid station of his own including Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively, pays to the Company for all such Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus if so provided and installed by the Company. The recovery of cost of service connection shall be regulated by Eligibility Criteria laid down by the Authority read with CSM.
4. All B-4 Industrial Consumers shall be billed on the basis of two-part T.O.U tariff.

C BULK SUPPLY

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

General Conditions

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

C-I SUPPLY AT 400/230 VOLTS

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

C-2 SUPPLY AT 11 kV AND 33 kV

1. This tariff is applicable to consumers receiving supply at 11 kV or 33 kV at one-point metering arrangement and having sanctioned load of more than 500 kW up to and including 5 MW.
2. The consumers may be allowed extension of load beyond 5MW upto 7.5MW from the DISCO's owned grid station subject to availability of load in the grid and capacity in the 11kV existing dedicated feeder. In such a case the consumer will bear 100% grid sharing charges including transmission line charges and 100% cost of land proportionate to load. However, only such consumers be allowed extension of load beyond 5MW upto 7.5MW whose connection is at least three (3) years old. While allowing extension in load, the DISCOs shall ensure that no additional line losses are incurred and additional loss, if any, shall be borne by the respective consumers.

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3. The supply under this Tariff shall not be available to a prospective consumer unless he provides, to the satisfaction and approval of the Company, his own Transformer, Circuit Breakers and other necessary equipment as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively pays to the Company for all apparatus and equipment if so provided and installed by the Company. The recovery of the cost of service connection shall be regulated by the Eligibility Criteria laid down by the Authority read with CSM.
4. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff C-2(b) as set out in the Schedule of Tariff.
5. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to C-2(b).

C-3 SUPPLY AT 66 kV AND ABOVE

1. This tariff is applicable to consumers having sanctioned load of more than 5000 kW receiving supply at 66 kV and above.
2. If the Grid Station required for provision of supply falls within the purview of the dedicated system under the Eligibility Criteria laid down by the Authority read with CSM, the supply under this Tariff shall not be available to such a prospective consumer unless he provides, to the satisfaction and approval of the Company, an independent grid station of his own including Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively, pays to the Company for all such Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus if so provided and installed by the Company. The recovery of cost of service connection shall be regulated by Eligibility Criteria laid down by the Authority read with CSM.
3. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to C-3(b).
4. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff C-3(b) as set out in the Schedule of Tariff.

D AGRICULTURAL SUPPLY

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

Special Conditions of Supply

1. This tariff shall apply to:
    i) Reclamation and Drainage Operation under Salinity Control and Reclamation Projects (SCARP):
    ii) Bona fide forests, agricultural tube-wells and lift irrigation pumps for the irrigation of agricultural land.
    iii) Tube-wells meant for aqua-culture.
    iv) Tube-wells installed in a dairy farm meant for cultivating crops as fodder and for upkeep of cattle.
2. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.

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3. The lamps and fans consumption in the residential quarters, if any, attached to the tube-wells shall be charged entirely under Tariff A-1 for which separate metering arrangements should be installed.
4. The supply under this Tariff shall not be available to consumer using pumps for the irrigation of parks, meadows, gardens, orchards, attached to and forming part of the residential, commercial or industrial premises in which case the corresponding Tariff A-1, A-2 or Industrial Tariff B-1, B-2 shall be respectively applicable.

D-1

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

D-2

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

E -1 TEMPORARY RESIDENTIAL/COMMERCIAL SUPPLY

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

Special Conditions of Supply

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

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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

"Year" means any period comprising twelve consecutive months.

1. All "Definitions" and "Special Conditions of Supply" as laid down under the corresponding Industrial Tariffs shall also form part of this Tariff so far as they may be relevant.

Special Conditions of Supply

1. This tariff is applicable to seasonal industry.
2. Fixed Charges per kilowatt per month under this tariff shall be levied at the rate of 125% of the corresponding regular Industrial Supply Tariff Rates and shall be recovered only for the period that the seasonal industry actually runs subject to minimum period of six consecutive months during any twelve consecutive months. The condition for recovery of Fixed Charges for a minimum period of six months shall not, however, apply to the seasonal industries, which are connected to the Company's Supply System for the first time during the course of a season.
3. The consumers falling within the purview of this Tariff shall have the option to change over to the corresponding industrial Supply Tariff, provided they undertake to abide by all the conditions and restrictions, which may, from time to time, be prescribed as an integral part of those Tariffs. The consumers under this Tariff will have the option to convert to Regular Tariff and vice versa. This option can be exercised at the time of obtaining a new connection or at the beginning of the season. Once exercised, the option will remain in force for at least one year.
4. All seasonal loads shall be disconnected from the Company's Supply System at the end of the season, specified by the consumer at the time of getting connection, for which the supply is given. In case, however, a consumer requires running the non-seasonal part of his load (e.g., lights, fans, tube-wells, etc.) throughout the year, he shall have to bring out separate circuits for such load so as to enable installation of separate meters for each type of load and charging the same at the relevant Tariff.
5. Where a "Seasonal Supply" consumer does not come forward to have his seasonal industry re-connected with the Company's Supply System in any ensuing season, the

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

Definitions

"Month" means a calendar month or a part thereof in excess of 15 days.

Special Conditions of Supply

The supply under this Tariff shall be used exclusively for public lighting installed on roads or premises used by General Public.

H RESIDENTIAL COLONIES ATTACHED TO INDUSTRIES

This tariff is applicable for one-point supply to residential colonies attached to the industrial supply consumers having their own distribution facilities.

Definitions

"One Point Supply" for the purpose of this Tariff, means the supply given by one point to Industrial Supply Consumers for general and domestic consumption in the residential colonies attached to their factory premises for a load of 5 Kilowatts and above. The purpose is further distribution to various persons residing in the attached residential colonies and also for perimeter lighting in the attached residential colonies.

"General and Domestic Consumption", for the purpose of this Tariff, means consumption for lamps, fans, domestic applications, including heated, cookers, radiators, air-conditioners, refrigerators and domestic tube-wells.

"Residential Colony" attached to the Industrial Supply Consumer, means a group of houses annexed with the factory premises constructed solely for residential purpose of the bonafide employees of the factory, the establishment or the factory owners or partners, etc.

Special Conditions of Supply

The supply under this Tariff shall not be available to persons who meet a part of their requirements from a separate source of supply at their premises.

TARCTION

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

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