Registrar

National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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No. NEPRA/TRF-631/SEPCO-Supply/2025/ 327-34 January 07, 2026

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

Please find enclosed herewith the subject Determination of the Authority alongwith Annexures (total 61 pages).

2. The Determination of the Authority, is hereby intimated to the Federal Government for filing of uniform tariff application in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997. The instant determination of the Authority along-with order part and Annexures, be also notified in terms of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, while notifying the uniform tariff application decision of the Authority.

Enclosure: As above

Waseem Anwar

(Wasim Anwar Bhinder)

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

Copy to:

1. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad
2. Mr. Shehriyar Abbasi, Deputy Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
3. Secretary, Irrigation & Power Deptt., Govt. of Sindh, Sindh Sectt. No. 2, Tughliq House Karachi
4. Managing Director, National Grid Company (NGC) of Pakistan, 414 WAPDA House, Shaharah-e-auid-e-Azam, Lahore
5. Chief Executive Officer, Central Power Purchasing Agency Guarantee Ltd. (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
6. Chief Executive Officer, Sukkur Electric Power Company Ltd. (SEPCO) Administration Block, Thermal Power Station, Old Sukkur.
7. Chief Executive Officer, Independent System and Market Operator (ISMO) of pakistan, Pitras Bukhari Road, Sector H-8/1, Islamabad

National Electric Power Regulatory Authority
(NEPRA)

PETITION NO: NEPRA/TRF-631/SEPCO/MYT-SUPPLY/ 2025

DETERMINATION OF SUPPLY TARIFF PETITION

FOR

SUKKUR ELECTRIC POWER COMPANY LIMITED (SEPCO)

FOR THE FY 2025-26 – FY 2029-30

UNDER

NEPRA TARIFF (STANDARDS AND PROCEDURE) RULES - 1998

Islamabad

JANUARY 07, 2026

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
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Abbreviations

CpGenCap	The summation of the capacity cost in respect of all CpGencos for a billing period minus the amount of liquidated damages received during the months
ADB	Asian Development Bank
AMI	Advance Metering Infrastructure
AMR	Automatic Meter Reading
BoD	Board of Director
BTS	Base Transceiver Station
CAPM	Capital Asset Pricing Model
CDP	Common Delivery Point
COSS	Cost of Service Study
CPPA (G)	Central Power Purchasing Agency Guarantee Limited
CTBCM	Competitive Trading Bilateral Contract Market
CWIP	Closing Work in Progress
DIIP	Distribution Company Integrated Investment Plan
DISCO	Distribution Company
DM	Distribution Margin
DOP	Distribution of Power
ELR	Energy Loss Reduction
ERC	Energy Regulatory Commission
ERP	Enterprise resource planning
FCA	Fuel Charges Adjustment
FY	Financial Year
GIS	Geographical Information System
GOP	Government of Pakistan
GWh	Giga Watt Hours
HHU	Hand Held Unit
HT/LT	High Tension/Low Tension
HSD	High Speed Diesel
IGTDP	Integrated Generation Transmission and Distribution Plan
IESCO	Islamabad Electric Supply Company Limited
KIBOR	Karachi Inter Bank Offer Rates
KSE	Karachi Stock Exchange
KV	Kilo Volt
kW	Kilo Watt
kWh	Kilo Watt Hour
LPC	Late Payment Charges
MDI	Maximum Demand Indicator
MMBTU	One million British Thermal Units
MoWP	Ministry of Water and Power
MVA	Mega Volt Amp

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY NEPRA AUTHORITY

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

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

CASE NO. NEPRA/TRF-631/SEPCO/MYT-SUPPLY/ 2025

PETITIONER

Sukkur Electric Power Company Limited (SEPCO), Thermal Power Station, Old Sukkur, Sukkur.

INTERVENER
Nil

COMMENTATOR
Nil

REPRESENTATION

Chief Executive Officer and along-with its Technical and Financial team

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1. <u>Background</u>

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

1.2. SEPCO was required to file its new MYT petitions for the Distribution and Supply functions by January 2025, in line with the NEPRA Guidelines for determination of Consumer End tariff (Methodology and Process) 2015, after incorporating therein, the approved level of investments and target of T&D losses. However, the petitions were filed with considerable delay, and were based on the requested numbers of Investment and T&D losses. SEPCO also requested for grant the interim tariff for the FY 2025-26, in order to allow for timely rebasing of consumer-end tariff effective July 1, 2025, as considerable time would be required to finalize the MYT petitions. The Authority acceded to the request of SEPCO and granted an "Interim tariff", vide decision dated 23.06.2025 for FY 2025-26, subject to adjustment and/ or refund, on the basis of the final determination of the Authority in the matter of MYT petitions of the Petitioner.

1.3. The Petitioner, inter alia, requested the following margin for its Supply of power function for the five years control period;

Supply of Power	Unit	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Power Purchase Price	**Rs. Mln**	**104,210**	**106,296**	**113,736**	**121,698**	**130,216**
Energy Charges	Rs. Mln	40,528	41,339	44,232	47,329	50,642
Capacity Charges	Rs. Mln	57,983	59,143	63,283	67,713	72,453
Use of System Charges	Rs. Mln	5,663	5,777	6,181	6,614	7,076
Market Operator Fee	Rs. Mln	36	37	40	42	45
Distribution Business Cost	**Rs. Mln**	**23,630**	**27,169**	**30,474**	**34,634**	**39,416**
Supply Business Cost						
Pay & allowances	Rs. Mln	924	1,155	1,329	1,528	1,757
Employees benefits	Rs. Mln	752	827	910	1,001	1,101
Post-retirement Benefits	Rs. Mln	5	6	8	9	11
Travelling expenses	Rs. Mln	56	64	71	74	78
Repair and Maintenance	Rs. Mln	11	11	11	12	13
Vehicle expenses	Rs. Mln	12	13	14	15	14
Other expense	Rs. Mln	75	65	95	155	240
Total O&M Costs	**Rs. Mln**	**1,835**	**2,141**	**2,438**	**2,794**	**3,214**
Depreciation	Rs. Mln	6	7	7	7	7
Return on Rate Base	Rs. Mln	67	61	55	50	45
Gross Margin	**Rs. Mln**	**1,908**	**2,209**	**2,500**	**2,851**	**3,266**
Less: Other Income	Rs. Mln	(236)	(248)	(261)	(274)	(213)
Net Margin	**Rs. Mln**	**1,672**	**1,961**	**2,239**	**2,577**	**3,053**
Prior Year Adjustment	Rs. Mln	25,552				
Finance Cost	Rs. Mln	1,580	2,402	2,500	2,255	2,355
Provision for bad debts	Rs. Mln	5,619	6,061	6,568	7,094	7,796
Total Revenue Requirement	**Rs. Mln**	**162,263**	**143,889**	**155,517**	**168,258**	**182,836**
Projected Sales	GWh	2,877	3,370	3,606	3,859	4,129
Requested Tariff	**Rs./kWh**	**56.40**	**42.70**	**43.13**	**43.60**	**44.28**

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

2. <u>Proceedings</u>

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

2.2. The hearing in the matter was scheduled on November 05, 2025, for which notice of admission / hearing along-with the title and brief description of the petition was published in the newspapers and also uploaded on NEPRA website; Individual notices were also issued to stakeholders/ interested parties.

3. <u>Issues of Hearing</u>

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

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

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

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

iv. Whether the requested/projected amount under heads of Other Income, Finance Cost, Provision for bad debts, Depreciation and RORB based on WACC of 14.29% is justified?

v. Whether the requested PYA is justified?

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

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

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

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

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

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

xii. Whether the concerns raised by the intervener/ commentator if any are justified?

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

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA AUTHORITY

4. Filing Of Objections/ Comments

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

4.2. During the hearing, the Petitioner was represented by its Chief Executive Officer along-with its technical and financial teams.

4.3. On the basis of pleadings, evidence/record produced and arguments raised during the hearing, the issue-wise findings of the Authority are given as under;

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

5.1. The Petitioner, in its petition submitted that the Unit Sales for FY 2025-26 to FY 2029-30 is projected keeping in view the availability of electricity in the system and reduction in T&D Losses by (17.43) % from the last year FY 2024-25 projected losses as per following tables The quarterly sales volume is actual &projected considering the seasonal effect keeping the overall target.

Description	Unit	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Units Purchase	Gwh	3,948	4,027	4,309	4,611	4,934
Units Sold	Gwh	2,877	3,370	3,606	3,859	4,129

5.2. The Petitioner during hearing submitted following projections;

Targeted Units Purchase @1% Growth:-

Description	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Units (MkWh)	3,948	4,027	4,108	4,190	4,274
Cost (Mln Rs.)	104,211	106,295	113,736	121,697	130,217

5.3. In order to justify its request, the Petitioner during the hearing submitted the following justifications;

- Consistent Growth in Consumer Base and Demand.
- Strategic initiatives to reduce losses and regularized consumption.
- Load Expansion from Industrial Consumers.
- Infrastructure and development & Motorway Construction Projects.
- Shifting of captive power connections from SSGC to SEPCO.
- Impact of Climate Change (Global Warming) on Domestic Consumption.
- Regularization of Kunda connections to reduce the loss with the help of DSU and smart metering project.
- Federal Incentives for Industrial Production with the decreased in tariff increase in production.

5.4. The Authority noted that PPP is the major component of consumer-end tariff, which accounts for around 90% of total consumer-end tariff. The Authority has determined the

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

power purchases (GWhs) along-with its cost for each of the DISCOs through a separate decision, therefore, for the purpose of instant decision, the power purchases (GWhs) of the Petitioner as per the separate PPP decision, have been taken into account.

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

6.1. The Petitioner submitted that the petition has been filed in accordance with the Rule 3(1) of Part II and Rule 4(7) of the Rules 1998 and NEPRA Performance Standards (Distribution) Rules 2005. As per Rule 17 (3) (1) of Tariff Rules, tariff should allow the licensee the for recovery of any and all costs prudently incurred to meet the demonstrated needs of their consumers. The Petitioner also submitted that it has filed Investment Plan and assessment of T&D losses for a period of five years, which are under deliberation before the Authority.

6.2. The Authority observed the Petitioner has requested for a five years tariff control period, in line with its five years investment plan. The Authority further noted that the approval of the investment plan and assessment of T&D losses of the Petitioner for five year's period is at an advanced stage, therefore, to align the investment requirements of the Petitioner, with its tariff determination, which is a tool to incur and recover the allowed amount of investments, the Authority has decided to approve the tariff request of the Petitioner under the MYT tariff regime for a control period of five year i.e. from FY 2025-26 till FY 2029-30. The terms and conditions, given by the Authority, in the Distribution and SoLR license, as modified from time to time, of the Petitioner would be applicable during the MYT control period.

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

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

8.1. The Petitioner in its petition submitted that the average Distribution Margin (DM) for the 2025-26 to FY 2029-30 is based on the following formula, keeping in view of the actual results for the FY 2023-24 & FY 2024-25, where ever required.

$$Avg.\ D.Margin = \frac{O\&M + + Depreciation + RORB - (Other\ income)}{Total\ Estimated\ Unit\ Sales}$$

8.2. O&M is the expected operating and maintenance cost per kWh, which includes the estimated cost of technical service and repair, necessary materials for operation, salary, mandatory social insurance payments, administration, management and other operating costs related to SEPCO's distribution and supply business. The O&M component for the FY 2025-26 to FY 2029-30 is estimated on the basis of inflation adjustments to SEPCO's operating expenses from the latest available data for FY 2024-25.

8.3. Based on inflation adjustments to SEPCO'S operating expenses from the latest available provisional FY 2024-25 and 15% increase in Salaries & Allowances in the FY 2025-26 to 2029 - 30.

8.4. The O&M per unit has been projected in the following major heads.

Pay and Allowances:

8.5. The pay and allowances inter alia include, salaries of regular and contract employees, wages of daily wages, which includes all benefits such as house rent and acquisitions allowances,

NEPRA AUTHORITY
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

medical allowances and facilities, free electricity and pension contribution. Considering the impact of increase in salaries annual increment e.t.c. by the Govt: as per the finance bill.

Repair and Maintenance:

8.6. The repair and maintenance expenditures pertain to the Computers and Equipment's.

Travelling Allowance:

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

Transportation Charges:

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

Other Miscellaneous Expenditures:

8.9. Other miscellaneous expenditures, includes repair of furniture and office equipment, stationery and Photostat charges, postage and telecommunications.

8.10. During hearing the Petitioner presented following projections for O&M cost during MYT control period;

DESCRIPTION	Allowed FY 2025-26 (Interim)	Tariff Control Period Projected				
		Base Year	Y-2	Y-3	Y-4	Y-5
		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Salaries & Other Benefits	7,709	9,585	11,555	13,785	16,078	18,570
Post Retr. Benefits	2,389	7,520	8,272	9,099	10,209	11,610
Repair and Maintenance	1,446	2,656	2,987	3,024	3,139	3,157
Traveling Expenses	452	560	644	709	744	781
Vehicle Expenses	305	527	633	823	1,070	1,390
Other Expenses	400	1377	1,848	2,077	2,609	3,420
O & M Cost	12,701	22,225	25,939	29,517	33,849	38,928
Increase		75%	17%	14%	15%	15%

8.11. During hearing petitioner presented following justifications for different heads of O&M cost;

- **Salaries & Other Benefits:** Increased based on GoP notified increases:
    - For FY 2025-26: 10% Ad-hoc Relief Allowance &
    - 30% DRA on Basic Pay of FY 2021-22.
    - Annual Increment @ 5%.
- **Post Retirement Benefits:** Increased considering the GoP @ 10% notified by Increase), worked out as per actuarial basis.
- **Repair & Maintenance & Other Expenses:** Increased in line with (1 + NCPI) due to escalation in material & service costs and higher transportation and lodging costs.
- **Traveling Expenses:** Considering the operational movement & Recovery campaign, increased @ 5%.
- **Vehicle Expenses:** Increased based on (1 + Change in Fuel Rates - PSO) reflecting fuel price variation linked with PSO rates.
- **Inflation: CPI:** Other O&M Cost is projected based on NCPI.

8.12. The following heads of O&M expenses are bifurcated based on controllable and uncontrollable factors.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

Uncontrollable Cost:

- ✓ Pay & Allowances
- ✓ Post retirement benefits.
- ✓ Prime Minister Assistance Package.
- ✓ NEPRA Annual Licence fee.
- ✓ PITC fee
- ✓ WAPDA Insurance Charges on WAPS
- ✓ The 82% of share of uncontrollable cost in the control period.

Controllable Cost:

- ✓ POL, Stationery, R&M, Vehicle Maintenance, Office supplies, etc.
- ✓ Other Establishment Expenses.
- ✓ The 18% of share of controllable cost in the control period.

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

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

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

8.15. Further, as per the NEPRA determination of Consumer-end-Tariff (Methodology & Process) Guidelines, 2015, the Authority shall choose a base year for the purpose of determining the affected company's revenue requirement under the multi-year tariff regime or annual tariff regime. "Base Year" has been defined as the year on which the annual or multiyear tariff projection is being made, which may be a historical financial year, for which the actual results/audited accounts are available. It may be a combination of actual results and projected results for the same financial year or it may be a pure projection of a future financial year.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

8.16. Here it is also pertinent to mention that as per the approved tariff methodology the Power Purchase Price is the only uncontrollable cost which is allowed a pass-through item. The other remaining costs are to be treated as controllable costs.

8.17. Considering the fact that the MYT has been filed for a period of five years i.e. from FY 2025-26 to FY 2029-30, and the cost for the FY 2025-26 i.e. test year, is being assessed as reference cost during the MYT control period, the Authority has decided to consider the costs as per the Audited/ provisional accounts of the Petitioner for the FY 2024-25 as base year.

8.18. The Authority considers that for projections or assessment of OPEX costs, the two commonly used approaches are the Ex-Ante approach and the Ex-Post approach. In a regime where the allowed OPEX is determined Ex-Ante, there will inevitably be deviations between the allowed and actual OPEX in the form of efficiency savings or losses. Thus, resulting in two broad options, one that the utility bears all savings or losses, i.e. no action is taken by the Regulator. The 2nd that the utility shares the savings or losses with consumers. The former provides the utility with a profit incentive to cut costs, but at the same time places the utility at greater financial risk in the face of losses. The latter somewhat dilutes efficiency incentives, but also limits the losses/gains for the utility and its customers. However, the widely used approach is that no adjustments to allowed Revenues or OPEX allowances are made in the next period to compensate for a deviation from allowed OPEX in the current period except for certain allowed adjustments in terms of CPI etc.

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

Salaries, Wages and Other benefits (excluding post-retirement benefits)

8.20. The Authority noted that head of Salaries, Wages and Other Benefits include employees Pay & Allowances and Post-retirement benefits and accounts for over 80% of the Petitioner's total O&M costs, excluding depreciation and RoRB. The Authority understands that employees of XWDISCOs are hired on Government pay scales, thus, any salary increase announced by the Federal Government in Fiscal Budget is also applicable on the employees of XWDISCOs. Therefore, salaries & wages cost of employees can be considered as un-controllable cost for XWDISCOs as long as they remain in public sector.

8.21. Considering the fact that the cost for the FY 2025-26 is being assessed, which would be used as reference during the MYT control period, the Authority has taken into consideration the costs as per the accounts of the Petitioner for the FY 2024-25, and information shared by the Petitioner subsequently in this regard. The Authority is of the view that since the previous MYT of the Petitioner has ended on 30.06.2025, therefore, it would be appropriate to account for the actual cost of the base year while projecting Salaries, Wages and Other benefits for the FY 2025-26, as any gain/loss of the previous MYT control period may not be carried forward in the new MYT.

8.22. The actual total cost as provided by the Petitioner for the FY 2024-25, under Salaries & Wages (excluding postretirement benefits, discussed separately) is Rs.6,478 million. The said amount has been considered as base cost and increases as approved by the Federal Government on Salaries and Wages in the Federal Budget for the FY 2025-26 i.e. ad-hoc

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

relief allowance of 10% and DR allowance of 30%, along-with impact of annual increment i.e. 5% have been incorporated thereon.

8.23. Accordingly, the cost of Salaries & Wages (excluding postretirement benefits, discussed separately), for both the Distribution and Supply Functions works out as Rs.7,404 million. The same is hereby allowed to the Petitioner for the FY 2025-26 for both its distribution and Supply Functions as reference cost, to be adjusted in the remaining control period as per the adjustment mechanism prescribed in the instant determination.

8.24. Since the Audited accounts of the Petitioner, do not provide bifurcation of the Salaries, Wages and other benefits costs in terms of Distribution and Supply Functions, therefore, for the purpose of allocation of total cost of Salaries, Wages and other benefits in terms of Distribution and Supply Functions, the criteria as adopted by the Petitioner has been used. Accordingly, the cost of Salaries, Wages and other benefits (excluding postretirement benefits) for the FY 2025-26 pertaining to the Supply function works out as Rs.1,285 million.

8.25. The assessed Salaries & Wages costs for the FY 2025-26 amounting to Rs.1,285 million, shall be considered as the reference cost for future adjustment/ indexation of Salaries & Wages expenses, in the remaining tariff control period as per the mechanism specified in the instant determination.

8.26. Considering the fact that employees of XWDISCOs are hired on Government pay scales, and any salary increase announced by the Federal Government in the Federal Budget is applicable on the employees of the Petitioner, therefore, being un-controllable cost, the Authority has decided to actualize the Pay & Allowances cost of the Petitioner, based on its audited accounts for the relevant year for its existing employees. The impact of any such adjustment would be allowed as part of PYA in the next indexation/ adjustment request or tariff determination as the case may be.

Additional Recruitment and Outsourcing

8.27. Regarding additional recruitment, the Authority observed that Salaries & Wages cost for the FY 2024-25, as per the accounts of the Petitioner, has been considered as base cost, therefore, impact of any new recruitment made till FY 2024-25 has already been accounted for. The Authority understands that any allowing cost upfront either on account of new hiring, would be unfair with the consumers, without considering/ analyzing its benefits. The Authority understands that it will be in a better position to adjudicate on the issue, once the Petitioner provides details of actual cost incurred in this regard and substantiates the same with the quantified benefits accrued. Although, the Authority has decided to actualize the Pay & Allowances cost of the Petitioner, based on its audited accounts for the relevant year, however, that would only be to the extent of existing employees. Accordingly, the Petitioner is directed to provide detail of new recruitment during each year or new hiring if any, along-with its financial impact and benefits accrued, for consideration of the Authority, in its subsequent adjustment/ indexation request.

Post-Retirement Benefits

8.28. The Authority noted that the head of Post-retirement benefit includes employees' pension, free electricity and medical facility. The Authority also understands that employees of XWDSICSOs are hired on Government pay scales, thus, any pension increase announced

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

by the Federal Government in the Budget is also applicable on the retired employees of XWDISCOs.

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

8.30. The operational performance of HESCO over the last three years has remained stagnant in terms of recovery and T&D losses and remained well above the targets allowed by the Authority.

8.31. In view of the aforementioned and keeping in view the request of the Petitioner, the Authority has decided to allow post-retirement benefits for the FY 2025-26, keeping in view the actual payments as per the Audited/ provisional accounts of the Petitioner for the FY 2024-25, and the request of the Petitioner for the FY 2025-26. Accordingly, the cost of post-retirement benefits being allowed to the Petitioners for the FY 2025-26, works out as Rs.5,069 million, for both its distribution and Supply functions.

8.32. Since the Audited accounts of the Petitioner, do not provide bifurcation of post-retirement benefits in terms of Distribution and Supply Functions, therefore, for the purpose of allocation of total cost of post-retirement benefits in terms of Distribution and Supply functions, the criteria as adopted by the Petitioner has been used. Accordingly, the cost of post-retirement benefits for the FY 2025-26 pertaining to the Distribution function works out as Rs.862 million.

<u>Repair & Maintenance Costs</u>

8.33. The Authority has carefully examined the Petitioner's request and also analyzed the past trend of R&M expenses of the Petitioner. The Authority understands that the adherence to service standards and improvement of customer services is only possible through continuous repair and maintenance of distribution network, however, at the same time the Petitioner has also requested for huge CAPEX for making additional investment in Fixed Assets, resulting in new, expensive and efficient equipment, leading to overall reduction in R&M cost and increasing the total Assets base. In addition to aforementioned discussion, the Petitioner's request of annual adjustment in this regard is against the very sprit of multiyear tariff regime. The Authority also is of the view that since the previous MYT of the Petitioner has ended on 30.06.2025, therefore, it would be appropriate to account for the actual cost of the base year while projecting O&M expenses and other Misc. expenses for the FY 2025-26, as any gain/loss of the previous MYT control period may not be carried forward in the new MYT.

8.34. In view of the foregoing and keeping in view the current approved tariff methodology, the Authority has decided to allow an amount of Rs.1,465 million under R&M head, for the FY 2025-26, after incorporating the inflationary impact on the R&M cost as per the audited accounts of the Petitioner for the FY 2024-25 for both the Distribution and Supply

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

functions. The same is hereby allowed to the Petitioner for the FY 2025-26 for both its distribution and Supply Functions.

8.35. Since the Audited accounts of the Petitioner, do not provide bifurcation of the R&M costs in terms of Distribution and Supply Functions, therefore, for the purpose of allocation of total cost of R&M costs in terms of Distribution and Supply Functions, the criteria as adopted by the Petitioner has been used. Accordingly, the cost of R&M for the FY 2025-26 pertaining to the Supply function works out as Rs.73 million.

8.36. The assessed repair and maintenance cost for the FY 2025-26 i.e. Rs.73 million, shall be considered as the reference cost for working out future repair and maintenance expenses, in the remaining control period as per the adjustment mechanism prescribed in the instant determination.

8.37. It is pertinent to note that, under the R&M head, expenditures relating to office buildings, 132 KV Grid Station Equipment, 11 kV distribution lines, distribution transformers, and meters have exhibited a significant upward trend upon review of historical data. Accordingly, the Petitioner is directed to submit, within three (03) months of issuance of this decision, a certification confirming that no capital-expenditure (capex) items have been booked under O&M expenses. In the event of non-compliance, the assessed R&M expenses for FY 2025-26 and onward period shall be revised downward in subsequent tariff adjustment/indexation proceedings. Any difference between the revised assessed amount and the amount allowed under the instant determination shall be adjusted through PYA, and all future indexations shall be carried out on the basis of the revised figures.

8.38. The DISCOs are also directed to provide a certification from its Auditors that Repair and Maintenance expenditure does not include any CAPEX nature item. In case any CAPEX nature cost has been booked as R&M expenses, the same may be disclosed separately in the financial statements. The Authority may consider to revise the R&M assessment of the Petitioner, based on such disclosure/certification.

Other O&M Expenses

8.39. The Authority noted that as per the approved tariff methodology, all other operating expenses are part of O&M costs which are to be assessed through NCPI-X formulae for the tariff control period. Here it is pertinent to mention that the Petitioner itself has requested that other O&M expenses, except vehicle running expenses, may be linked with CPI during the entire tariff control period. Accordingly, for assessment of Other O&M costs for the FY 2025-26, the Authority, keeping in view the cost as per the audited accounts of the Petitioner for the FY 2024-25, and incorporating therein inflationary impact, has decided to allow an amount of Rs.2,127 million to the Petitioner for the FY 2025-26. The said amount of Rs. 2,127 million is being allowed for both the Distribution and Supply of Power function for the FY 2025-26.

8.40. Since the Audited accounts of the Petitioner, do not provide bifurcation of the Other O&M costs in terms of Distribution and Supply Functions, therefore, for the purpose of allocation of total cost of other O&M costs in terms of Distribution and Supply Functions, the criteria as adopted by the Petitioner has been used. Accordingly, the cost of other O&M expenses for the FY 2025-26 pertaining to the Supply function works out as Rs.91 million.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

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

8.42. The aforementioned assessment for the FY 2025-26 shall be considered as reference for working out future Other Operating Expenses for remaining tariff control period to be adjusted based on change in "NCPI-General", in line with the mechanism provided in the instant determination. However, the vehicle running expenses would be adjusted with "NCPI-Transport", in line with the mechanism provided in the instant determination.

8.43. In case the Petitioner's actual O&M cost (excluding pay & Allowances & post retirement benefits) for the relevant year as per its audited accounts is lower than the amount allowed for that year, any saving in this regard, shall be shared between consumers and the Petitioner in the ratio of 50:50. For future indexation of O&M cost during the MYT control period, the lower of allowed O&M cost or actual O&M cost of the previous year, after excluding therefrom the capex nature O&M and amount of O&M capitalized, if any, and pay & allowances & post-retirement benefits, shall be considered as reference.

8.44. If the actual O&M cost for the previous year, as referred above is not available at the time of projecting next year's O&M cost, the allowed cost for the previous year shall be considered as reference to be indexed as per the provided mechanism. Once the audited account for the previous year are available, the already projected O&M cost shall be reworked based on lower of allowed cost or actual O&M cost of the previous year. Any adjustment in this regard, if required, shall be made part of PYA. In addition, the allowed O&M cost shall also be adjusted based on mechanism provided in the instant determination. The Petitioner is also directed to disclose its O&M costs in terms of distribution and supply functions separately in its audited accounts.

<u>PPMC Fee</u>

8.45. H Here it is pertinent to mention that some DISCOs during the hearing requested to allow cost on account of Management Fee of Power Planning and Monitoring Company (the "PPMC"). DISCOs in support of their request referred to the SRO 1358-I (2025) dated 29.07.2025, issued by the Ministry of Energy (PD), pursuant to the Federal Cabinet decision dated 27.10.2021, the National Electricity Policy, 2021, the National Electricity Plan (2023–2027), whereby it has been designated as a "designated entity" for the implementation of the priority areas of the NE Plan, and strategic roadmap as per the NE policy. The SRO further mandates the company to charge a fee from DISCOs, for the services rendered, as may be approved by the BoD of PPMC from time to time. The BoD of PPMC may, on annual basis, approve the annual budget and allocation of fees to DISCOs.

8.46. It has also been submitted that clause 34(f) of the IMF Country Report clearly acknowledges PPMC's role in supporting policy, regulatory and tariff affairs, sector reforms, privatization, CD management and integrated power and energy planning.

8.47. The Authority noted that the National Electricity Plan allows the designated entity to charge a regulatory fee, which shall be allowed by the Regulator. The Authority also noted that previously the Authority discontinued the PEPCO fee in the absence of appropriate structure in place. The Authority also takes cognizance of the SRO dated 29.07.2025, issued by the Ministry of Energy (PD), pursuant to the Cabinet decision, as well as other

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

justifications submitted by the DISCOs regarding the declaration of PPMC as a "designated entity" and its role in supporting policy, regulatory, and tariff matters, sector reforms, privatization, CD management, and integrated power and energy planning.

8.48. However, the Authority is of the view that it would be in a better position to adjudicate the matter, once the DISCOs provide details of the actual costs incurred and the functions/ services performed as designated entity for DISCOs and others, duly substantiated with documentary evidence and justifications.

8.49. Accordingly, the Authority has decided to pend upfront allowing such cost on account of PPMC at this stage and may consider the same as part of the PYA, subject to the Petitioner furnishing the above details, with proper justification and supporting documentary evidence, along with fulfillment of the process prescribed in the SRO No. 1358(I)/2025.

8.50. On the submissions of the Petitioner, to allow certain costs as uncontrollable, the Authority noted that as per the approved tariff methodology, Power Purchase Price is the only uncontrollable cost which is allowed a pass-through item. However, considering the fact that XWDISCOs employees are hired on Government pay scales, thus, any salary and pension increase, announced by the Federal Government in Fiscal Budget is also applicable on such employees/ pensioners of XWDISCOs. Therefore, salaries & wages cost and pension expenses to the extent of such employees can be considered as un-controllable cost for XWDISCOs as long as they remain in public sector.

Finance Cost

8.51. The Petitioner also included Rs.1,580 million as finance cost in its total revenue requirement for the FY 2025-26, presented during the hearing.

8.52. The Authority understands that petitioner is allowed RoRB based on WACC model, which also incorporates the cost of debt, thus, there is no requirement for allowing finance cost separately to the Petitioner.

9. Whether the requested/projected amount under heads of Other Income, Deprecations and RORB based on WACC of 14.29% is justified?

Depreciation

9.1. The Petitioner submitted that the depreciation of assets is recorded in accordance with the accounting policy of the Company. The petitioner requested following amounts under the head of Depreciation for its MYT control period;

Description	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Depreciation	1,373	1,851	1,987	2,078	2,235

9.2. The Petitioner submitted following justifications for requested amounts;

- Depreciation is projected approx. 3.8% of total assets.
- Depreciation is calculated on the basis of the value of existing Assets plus the addition (provisional) in Assets during the period.
- The assets are depreciated on straight line method as per utility practice i.e.
    - Buildings and Civil Works @ 2%
    - Plant and Machinery @ 3.5%

Mati-9

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

- Office Equipment and Mobile Plant @ 10% and Other Assets @ 10%

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

9.4. Regarding allowed investment for FY 2025-26 and FY 2026-27, since the Distribution Investment Plan (DIP) of the Petitioner is under regulatory proceedings, the Authority has decided to allow the following provisional Investments under head of own financing, which shall be subject to adjustments pursuant to the final decision of the Authority in matter of DIP of the Petitioner.

Rs. Mln

Provisional Capex	SEPCO
FY 2025-26	4,924
FY 2026-27	6,851

9.5. The Authority decided that the above approved Investments are provisionally allowed for purpose of tariff rebasing and does not include the cost for AMI, APMS, Scanning meters, Data Centers, etc., the investment in this smart metering area can only be started once DIP is approved, wherein the detailed project wise scope and cost approvals shall be decided in the final decision of DIP of the Petitioner.

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

Provisional T&D Loss	SEPCO
FY 2025-26	16.31%
FY 2026-27	16.31%

9.7. The Petitioner is directed to carry out its T&D loss study through an independent third party, as per the approved terms of references (ToRs), which shall be communicated to the Petitioner separately by NEPRA. The independent third-party T&D loss study must be submitted by the Petitioner within nine (09) months of issuance of this decision. In case, the T&D loss studies are not submitted within the allowed time period, the following T&D Loss target shall become applicable for FY 2025-26 and FY 2026-27, and all relevant tariff adjustment shall be reworked on such revised targets. The financial impact of such revision shall be made part of PYA of subsequent tariff rebasing.

RevisedT&D Loss Target (Failure to submit study)	SEPCO
FY 2025-26	8.10%
FY 2026-27	8.10%

9.8. The submitted T&D loss study by an independent third-party shall be considered by the Authority for revision / firm up of T&D loss Targets for the applicable period in the next rebasing of the tariff for DISCOs (January 2027) or mid-term (December 2027) review of DIP of the Petitioner, as the case may be.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

9.9. Not used

9.10. Not used

9.11. After taking into account the new investments as mentioned above, the Gross Fixed Assets in Operation for the FY 2025-26 have been re-worked. Accordingly, the depreciation charge for the FY 2025-26 has been assessed as Rs.1,817 million calculated on actual depreciation rates for each category of Assets as per the Company policy, which will be considered as reference cost for working out future depreciation expenses for the remaining tariff control period, to be adjusted as per the mechanism provided in the instant determination.

9.12. After carefully examining the relevant details and information pertaining to the deferred credit and amortization as per the accounts for the FY 2024-25, the Authority has projected amortization of deferred credit to the tune of Rs.470 million for the FY 2025-26. Accordingly, the consumers would bear net depreciation of Rs.1,347 million.

9.13. The actual depreciation reflected in the Audited accounts of the Petitioner for the FY 2024-25, do not provide bifurcation of depreciation cost in terms of Distribution and Supply Functions, therefore, for the purpose of allocation of depreciation cost in terms of Distribution and Supply Functions, the criteria as adopted by the Petitioner has been used. Accordingly, the depreciation cost for the FY 2025-26 pertaining to the Supply function works out as Rs.7 million.

<u>RORB</u>

9.14. The Petitioner submissions regarding Regulatory Asset Base (RAB) are as under;

Average Rate of Return (ROR):

Average ROR is kept at 12.29% as cost of capital as per 1 year KIBOR.

Ke=RF + (RM – RF) x β

= 12.29 + (2% x 1.1)

The cost of debts ;kd = 14.29%

WACC = [Ke x (E/V)] + [kd x (D/V)]

Where E/V and D/V are equity and debt ratio respectively taken as 30% & 70%.

9.15. The Petitioner submitted that RORB is projected on the basis of 13.28% WACC on average assets base of the company by incorporating the above adjustment the calculation of WACC and RORB will be as under:

Mathe 9

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

Description	Original Rate (%)	Revised Rate (%)
KIBOR	12.29	11.28
Speared	2	2
WACC	14.29	13.28

Description	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Return on Rate Base	3,740	3,841	3,907	3,914	3,898

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

(b) tariffs should generally be calculated by including a depreciation charge and a rate of return on the capital investment of each licensee commensurate to that earned by other investments of comparable risk;

(c) tariffs should allow licensees a rate of return which promotes continued reasonable investment in equipment and facilities for improved and efficient service;

9.17. In line with the aforementioned guidelines, the Authority allows DISCOs, a Weighted Average Cost of Capital (WACC) to account for the return on equity and cost of debt. Similarly, for recovery of principal portion of debt, the Authority includes a depreciation charge in the revenue requirement of DISCOs.

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

Cost of Equity:

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

Where;

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

The cost of debt:

Kd = KIBOR + Spread

9.19. Accordingly, the WACC as per the given formula works pout as under;

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

9.20. The Authority uses the Capital Asset Pricing Model (CAPM) for calculation of Return of Equity (RoE) component of the WACC, being the most widely accepted model, which is applied by regulatory agencies all over the world to estimate the cost of capital for regulated utilities. Further, as per the Tariff methodology, in case of negative equity the Authority would consider a minimum of 20% equity and any equity in excess of 30% would be considered as debt.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

9.21. The expected return on any investment is the sum of the risk-free rate and an extra return to compensate for the risk. This extra return or 'risk premium' is the difference between market rate of return and risk-free rate. Generally, the return on stock market index is taken as a measure of market rate of return. To have an appropriate measure of the market rate of return, the Authority analyzed KSE-100 Index return, over a period of 10 years i.e. FY 2016 to FY 2025. Further, return of different neighboring markets and other international markets were also analyzed.

9.22. For risk free rate, the yield of 05 year PIB is considered. The weighted average yield of accepted bids for 5 years PIB as of 17.07.2025 remained at 11.4916%. Regarding assessment of beta, the Authority has considered the earlier studies in the matter, range of betas used by international Regulators, and accordingly decided to use the beta of 1.10, while assessing the RoE component.

9.23. Based on the application of the above methodology and the parameters discussed herein, the RoE of the Petitioner, as derived strictly through the formulaic approach, works out to a level lower than the benchmark applied in recent determinations. However, the Authority notes that RoE is not applied in isolation and must be assessed in the context of sector-wide regulatory consistency and comparable risk profiles. In this regard, the Authority observes that a PKR-based RoE of 14.47 % has been consistently allowed in recent determinations of XWDISCOs as well as in the case of K-Electric, reflecting a uniform regulatory treatment of the distribution segment. Keeping in view the need to maintain parity, avoid undue volatility in allowed returns, and promote continued investment in the distribution sector in terms of Section 31(3) of the NEPRA Act, the Authority has exercised its regulatory discretion to allow a PKR-based RoE of 14.47% for the Petitioner

9.24. Regarding the cost of debt, it is the interest rate on which a company would get borrowing from the debt market / commercial banks i.e. a rate at which banks lend to their customers. In order to have a fair evaluation of the cost of debt, the Authority has taken cost of debt as 3 month's KIBOR + 1.50% spread, as maximum cap. Consequently, the cost of debt has been worked out as 12.64% i.e. 3 Months KIBOR of 11.14% as of July 02, 2025 plus a spread of 1.50% *(150 basis points)*.

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

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

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

9.26. Based on above and using WACC of 13.19% on RAB by including allowed investment for the FY 2025-26, the RoRB of the Petitioner for the FY 2025-26 has been worked out as under;

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

	SEPCO	
Description	FY 2024-25	FY 2025-26
Fixed Assets O/B	49,546	49,956
Addition	410	15,273
Fixed Assets C/B	49,956	65,229
Depreciation	24,564	26,382
Net Fixed Assets	25,392	38,847
Capital WIP C/B	45,795	36,063
Fixed Assets Inc. WIP	71,187	74,910
	-	-
Less: Deferred Credits	7,388	7,175
Total	63,798	67,736
RAB		65,767
WACC		13.19%
RORB		8,674

9.27. The total amount of RoRB as worked out above has been allocated in terms of Distribution and Supply Functions, as per the criteria adopted by the Petitioner itself. Accordingly, the RORB for the FY 2025-26 pertaining to the distribution function works out as Rs.14 million.

9.28. The reference RoRB would be adjusted every Year based on the amount of RAB worked out for the respective year after taking into account the amount of investment allowed for that year as per the mechanism given in the instant determination.

9.29. In addition, the allowed RAB for previous year will be trued up downward, keeping in view the amount of investment allowed for the respective year, other than consumer financed investments. In case, the Petitioner ends up making higher investments than the allowed (other than consumer financed investments), the same would be the Petitioner's own commercial decision and would not be considered while truing up the RAB, unless due to any regulatory decisions/interventions/approved plans for which the Petitioner obtains prior approval of the Authority. In such case the Authority may also revise the efficiency targets in terms of T&D losses etc.

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

9.31. The Authority also understands that interest payment is an obligatory cash flow liability unlike discretionary dividend payment and considering the fact that any default may hamper the financial position of the Petitioner, hence the Authority has decided to cover the risk of floating KIBOR. Accordingly, fluctuation in the reference KIBOR would be adjusted biannually. In addition, the Authority has also decided to adjust savings, if any,

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY NEPRA AUTHORITY

resulting from cheaper financing by the Petitioner. If the Petitioner manages to negotiate a loan below 1.50% spread, the entire savings would be passed onto the consumers annually, through PYA. In case of more than one loan, the saving with respect to the spread would be worked out based on individual loans. In case, the spread is greater than the allowed cap of 1.50%, additional cost would be borne by the Petitioner itself. Similarly, if the Petitioner's total actual cost of debt remains lower than the cost allowed for the year, the entire savings would also be passed onto the consumers annually, through PYA.

<u>Other Income</u>

9.32. The Petitioner submitted that Other income includes amortization of Deferred Credits, Rental Income, Profit on Bank Deposit, Sale of Scrape & Misc. Income. The Petitioner requested following amounts as other income for its MYT control period;

Description	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Other Income	-2,806	-2,946	-3,094	-3,089	-3,064

9.33. Other income is considered to be a negative cost which may include, but not be limited to, amortization of deferred credit, meter and rental income, late-payment charges, profit on bank deposits, sale of scrap, income from non-utility operations, commission on PTV fees and miscellaneous income.

9.34. Since the other income would be trued up every year as per the mechanism provided in the instant determination, therefore, for the FY 2025-26, the Authority has decided to allow an amount of Rs.2,806 million based on audited accounts of the Petitioner for FY 2024-25, including the amount of amortization of deferred credit but exclusive of the amount of late payment charges (LPS).

9.35. The Authority in consistency with its earlier decision, on the issue, has not included the amount of LPS while assessing the other income for the FY 2025-26. Here it is pertinent to mention that the LPS recovered from the consumers on utility bills shall be offset against the late payment invoices raised by CPPA (G) against respective XWDISCO only, and in the event of non-submission of evidence of payment to CPPA (G), the entire amount of Late Payment charge recovered from consumers shall be made part of other income and deducted from revenue requirement in the subsequent year.

9.36. The total amount of Other Income as worked out above has been allocated in terms of Distribution and Supply Functions, as per the criteria adopted by the Petitioner itself. Accordingly, Other Income for the FY 2025-26 pertaining to the Supply function works out as Rs.238 million.

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

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

10.1. The Petitioner requested following adjustment mechanism for MYT control period;

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

DESCRIPTION	MYT ASSUMPTIONS	
Oper. & Maintenance		
Salaries & Other Benefits	As per Approved Mechanism of the Authority	(1 + GoP Increase) + N
Post Retr. Benefits		(1 + GoP Increase)
Other Operating Expenses		(1 + NCPI) X Factor @ 0% capped to the actual expenses
Depreciation (Actual Basis)		
Return on R/Asset Base (Actual Basis)		
Less Other Income		
KIBOR	Bi-Annually as per Decision	(3 Months KIBOR + 2%) *Rule 4(7) of NEPRA (Benchmarks for Tariff Determination) Guidelines, 2018*

Indexation of O&M cost components

Indexation of O&M cost components

10.2. Salaries & Wages and Post-retirement Benefits; Considering the fact that employees of XWDISCOs are hired on Government pay scales, and any salary increase announced by the Federal Government in the Federal Budget is applicable on the employees of the Petitioner, therefore, being un-controllable cost, the Salaries & Wages and benefits, would be actualized, based on the audited accounts of the Petitioner for the relevant year for its existing employees, as long as they remain in public sector. The impact of any such adjustment would be allowed as part of PYA in the next indexation/ adjustment request or tariff determination as the case may be.

Adjustment Mechanism - Salaries, Wages & Other Benefits
Revised Salaries, Wages & Other Benefits Expenses = Ref. Salaries, Wages & Other Benefits x [1+(GoP Increase or CPI)]
The allowed Salaries, Wages & Other Benefits may be considered as reference cost for future adjustment.
The Authority may consider to allow GoP increase till the time the DISCOs remain in public sector, otherwise CPI indexation may allowed if DISCOs get privatized.
The allowed amount shall be actualized based on Audited accounts for the relevant year , considering the same as uncontrollable cost on part of XWDISCOs.

10.3. Considering the fact that the Petitioner is obligated to pay to its pensioners, the pension increases announced by the Federal Government, therefore, being an un-controllable cost, the Post-retirement Benefits would be actualized based on the audited accounts of the Petitioner for the relevant year. The impact of any such adjustment would be allowed as part of PYA in the next indexation/ adjustment request or tariff determination as the case may be.

Adjustment Mechanism - Actual Post-retirement Benefits payment
Revised Post-Retirement Benefits = Ref. Pots-retirement Benefits x [1+(GoP Increase or CPI)]
The allowed Post-Retirement Benefit may be considered as reference cost for future adjustment. The Authority may consider to allow GoP increase till the time the DISCOs remain in public sector, otherwise CPI indexation may allowed if DISCOs get privatized.
The allowed amount shall be actualized based on Audited accounts for the relevant year , considering the same as uncontrollable cost on part of XWDISCOs.

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

10.5. The reference costs would be adjusted every Year with Transport index of NCPI.The Adjustment mechanism would be as under;

Vehicle running/Transportation expenses (Rev) =

(Vehicle running/Transportation expenses (Ref.) x {1 + (Transport index of NCPI)])

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

10.6. Remaining O&M costs will be indexed every year according to the following formula:

The reference costs would be adjusted every Year with NCPI-X factor. The X factor would be applicable from the 3rd year of the MYT control period. The Adjustment mechanism would be as under;

O &M(Rev) = O & M (Ref.) x {1 + (NCPI-X)]

Where

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

O &M (Ref) = Reference O&M Expense for the Reference Year

Δ NCPI = Change in NCPI published by Pakistan Bureau of Statistics for the month of December for the respective year. For O&M expenses, other than vehicle running expenses, NCPI-General shall be used, whereas for Vehicle Running expense, NCPI-Transport shall be used. Reference NCPI-General and NCPI-Transport of December 2024 for thepurpose of future adjustment/ indexation shall be 4.07% and - 0.18% respectively.

X = Efficiency factor i.e. 30% of NCPI relevant for indexation purpose

11. RORB

11.1. The reference RoRB would be adjusted every Year based on the amount of RAB worked out for the respective year after taking into account the amount of investment allowed for that year as per the following mechanism;

Adjustment Mechanism - RoRB	
RORB(Rev)	=RORB(Ref) x RAB(Rev) / RAB(Ref)
The allowed RORB may be considered as reference cost for future adjustment.	
In addition the allowed RORB for previous year will be trued up based one actual investment (maximum cap to the extent of allowed investment)carried out during that year. Further KIBOR fluctuation on bi-annual basis also subject to adjustment. Further Spread of 1.50% is allowed as maximum cap, in case DISCOs manage to obtain financing on spread less than 1.5% the same shall be adjusted as part of PYA.	

11.2. In addition, PESCO to disclose the amount of IDC capitalized during the year and adjust its RAB for the year after excluding therefrom the impact of IDC capitalized during the year.

11.3. In addition, the allowed RAB for previous year will be trued up downward, keeping in view the amount of investment allowed for the respective year, other than consumer financed investments. In case, the Petitioner ends up making higher investments than the allowed (other than consumer financed investments), the same would be the Petitioner's own commercial decision and would not be considered while truing up the RAB, unless due to any regulatory decisions/interventions/approved plans for which the Petitioner obtains prior approval of the Authority. In such case the Authority may also revise the efficiency targets in terms of T&D losses etc.

11.4. The Authority also understands that interest payment is an obligatory cash flow liability unlike discretionary dividend payment and considering the fact that any default may hamper the financial position of the Petitioner, hence the Authority has decided to cover

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY NEPRA AUTHORITY

the risk of floating KIBOR. Accordingly, fluctuation in the reference KIBOR would be adjusted biannually. In addition, the Authority has also decided to adjust savings, if any, resulting from cheaper financing by the Petitioner. If the Petitioner manages to negotiate a loan below 1.50% spread, the entire savings would be passed onto the consumers annually, through PYA. In case of more than one loan, the saving with respect to the spread would be worked out based on individual loans. In case, the spread is greater than the allowed cap of 1.50%, additional cost would be borne by the Petitioner itself. Similarly, if the Petitioner's total actual cost of debt remains lower than the cost allowed for the year, the entire savings would also be passed onto the consumers annually, through PYA.

12. Depreciation Expenses

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

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

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

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

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

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

12.2. In addition, the allowed Depreciation for previous year will be trued up downward, keeping in view the amount of investment allowed for the respective year, other than consumer financed investments. In case, the Petitioner ends up making higher investments (excluding consumer financed investments) than the allowed, the same would be the Petitioner's own commercial decision and would not be considered while truing up the depreciation expenses, unless due to any regulatory decisions/interventions/approved plans for which the Petitioner obtains prior approval of the Authority.

13. Other Income

13.1. Other Income shall be adjusted annually as per the following mechanism during the MYT control period to calculate future Other Income.

Adjustment Mechanism - Other Income (OI)	
OI(Rev)	=OI(Allowed Previous year) + {OI(allowed for previous year) – OI(Actual previous year)}
The allowed Other income may be considered as reference cost for future adjustment. In addition the allowed Other Income for previous year will be trued up based on actual Other Income during that year	

Working Capital

13.2. The Authority during proceedings directed the Petitioner to provide it working capital calculation and has considered the submissions of the Petitioner and in order to access the working capital requirement of the Petitioner, the Authority obtained details of number of days available with the Petitioner to pay in terms of energy procured from National Grid. Based on the information provided by CPPA-G and in line with the mechanism adopted for KE, the working capital requirement of the Petitioner for its distribution function has been assessed as under;

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY NEPRA AUTHORITY

Supply working Capital	Credit Period Days	Factor	SEPCO
Current Assets			
Trade debt (days of Revenue Receivable)	25	0.07	9,174
Total Current Assets			9,174
Current Liabilities			
EPP From CPPA	41	0.11	3,670
CPP From CPPA	34	0.09	6,043
Transmission	30	0.08	678
Distribution	30	0.08	1,990
Total Liabilities			12,381
Net			(3,207)
Cost of debt local			12%
Working Capital Cost			(385)

13.3. As reflected in the table above, The Petitioner's working capital requirement for the Supply function has been assessed as negative Rs.3,207 million and cost working capital requirement works out as negative Rs.385 million, based on 3 months KIBOR i.e. 11% +1% spread as maximum cap, subject to downward adjustment in case the actual spread remains lower. The aforesaid working capital is allowed to the Petitioner for the CY 2026, and is subject to adjustment, as per the mechanism provided below, once the audited accounts of the Petitioner for the FY 2025-26 are available.

Working capital (Supply)

Revised cost of working capital = Working capital requirement as per given formula x Cost of debt on allowed parameters

-Working capital requirement shall be calculated based on assessed revenue requirement under each head for relevant year.

-Cost of Debt shall 3 Months KIBOR + 1% spread as maximum cap, subject to downward adjustment at the end of each financial year.

Actualization of Previous year based on allowed revenue as PYA

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

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

13.4. 3 Month KIBOR + 1% Spread as maximum cap subject to downward adjustment. For the purpose of 3 - Month KIBOR, the actual weighted average KIBOR of finance cost incurred by the Petitioner shall be considered, if any. Similarly, for the purpose of spread, actual weighted average spread incurred by the Petitioner shall be considered, if any. In case actual weighted average spread is lower than 1% cap, the same shall be adjusted downward only. No upward adjustment of spread is allowed.

13.5. The Authority further notes that since the amount of receipts against deposit works has been adjusted while working out the cost of working capital, therefore, any interest earned on such deposits shall not be adjusted as part of other income. The Petitioner therefore shall ensure a separate disclosure of such income in its audited accounts. In case of failure to disclose such income separately, the entire interest income shall be adjusted as part of other income.

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

14.1. The Ministry of Energy (MoE) vide letter dated 18.08.2025, submitted that NEPRA determines the consumer-end tariff for XWDISCOs and K-Electric in accordance with Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the Act), read with Rule 17 of the NEPRA (Tariff Standards and Procedure) Rules, 1998. The uniform rebased tariff, once determined, is notified by the Federal Government under Section 31(7) of the Act. The latest rebasing was notified on July 1, 2025. In accordance with the NEPRA (Tariff Standards and Procedure) Rules, 1998 read with Part 5 of the NEPRA Determination of Consumer-end Tariff (Methodology & Process) Guidelines, 2015, the Distribution Companies (DISCOs) are required to initiate the tariff determination process by submitting their minimum filing requirements by January 31st of each year. The submission is followed by Authority's internal meetings, public hearing, tariff determination and notification by the Government. Keeping in view the recent annual tariff determinations, the rebasing is notified by the Government in the month of July, each year with effect from 1st July.

14.2. The Ministry further mentioned that as an unfortunate coincidence, the consumers face high Fuel Charges Adjustments (FCAs) as well as the annual tariff rebasing, simultaneously in the summer months. This increase in tariff coupled with higher consumption leads to significant hike in the consumer electricity bills of summer months which in turn results in unaffordability, public dissatisfaction and nationwide protests in the country. The issue can be streamlined if the timing of annual rebasing is shifted from summer to winter months where the electricity consumption is lower and any tariff increase can be absorbed in consumer bills. This would result in relatively stable and sustainable electricity prices throughout the year. The National Electricity Plan Strategic Directive 8 also stipulates that the Regulator shall also revisit the "Guidelines for Determination of Consumer End Tariff (Methodology and Process), 2015" to enable alignment of schedule of regulatory proceedings for planning activities and rate case & tariff determinations.

14.3. The MoE submitted that the Cabinet has approved that policy guidelines may be issued to NEPRA to revise the annual tariff determination process timelines by amending the relevant legal and regulatory framework in a way that the rebasing is notified with effect from 1st January, each year, after completion of all regulatory proceedings. In this regard, it is

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY NEPRA AUTHORITY

highlighted that NEPRA has already determined Power Purchase Price (PPP) references up to June 2026. Projections for the remaining six months will be shared subsequently.

14.4. In light of above and in exercise of powers under Section 31 of the Act, the Federal Government hereby issues the following policy guidelines for implementation by NEPRA;

> *"NEPRA shall revise the annual tariff determination process timelines by amending the relevant legal and regulatory framework (guidelines, rules and procedures) to ensure that annual rebasing is notified with effect from January 1st of each year, after completion of all regulatory proceedings."*

14.5. SEPCO also vide letter submitted that the MoE vide letter dated 16.10.2025, has conveyed that the Federal Government has approved the revision of the annual tariff determination schedule, making it effective from 1st January each year. The Authority has already determined the Power Purchase Price (PPP) references up to June 2026, accordingly, it is submitted that the references for the remaining period up to December 2026 may also be determined, in line with the above-mentioned directives.

14.6. SEPCO further stated that it has already submitted its Multi-Year Tariff (MYT) Petition for FY 2025-26 to FY 2029-30 for determination and the decision of the Authority is awaited. Meanwhile, an interim tariff for FY 2025-26 has been determined by the Authority in response to HESCO's request dated 29.05.2025.

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

14.8. The matter was discussed during the hearing, and the Petitioner requested the following costs on account of interim indexation for the 06 months period from Jul. 26 to Dec. 26;

Description	SEPCO
Salaries, Wages & Other Benefits	4,313
Post Retirement Benefits	3,384
Other O & M Costs	2,048
Depreciation	716
Return on Rate Base	1,637
Turn Over Tax	
Gross Distribution Margin	**12,098**
Less: Other Income	(1,403)
Net Distribution Margin	**10,695**

14.9. The Authority has considered the guidelines issued by the Federal Government regarding tariff rebasing to be made effective from 1st January, instead of July each year. The Authority is cognizant of the fact that rebasing of tariff effective July, if upward, coupled with high consumption, leads to increase in overall electricity bills during summer months; thus, adversely impacting DISCOs performance in terms of recoveries and losses. However, even

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY NEPRA AUTHORITY

with re-basing in January, the overall billing impact for the consumers in summer months would remain same, had the rebasing been made effective from July. Nonetheless, in light of NE Plan, SD 8 and the instant policy guidelines, the Authority has completed the consultation process for revision in "Guidelines for Determination of Consumer End Tariff (Methodology and Process), 2015", and the same are now in the process of notification.

14.10. Further, in light of the instant policy guidelines, the Authority has determined the revised Power Purchase Price (PPP) references for the period from January 2026 to December 2026 through a separate decision. Pursuant thereto and keeping in view the request of the Petitioner to also determine tariff for the period from July 1, 2026 to December 31, 2026, in accordance with the revised annual rebasing timelines, the Authority has also determined provisional revenue requirement of SEPCO for the period from July 1, 2026 to December 31, 2026 as under:

Description	Unit	July to December 2026 FY 2026-27
Pay & Allowances		3,911
Post Retirement Benefits		2,788
Repair & Maintainance		777
Traveling allowance		236
Vehicle maintenance		162
Other expenses		731
O&M Cost	[Mln. Rs.]	8,606
Depriciation		1,062
RORB		2,862
O.Income		(1,403)
Margin	[Mln. Rs.]	11,127

14.11. For the purpose of rebasing for the period from Jan. to Dec. 2026, the amount recovered by the Petitioner, to the extent of distribution and supply margin along-with PYA, from Jul. to Dec. 25, based on interim tariff allowed for the FY 2025-26, has been adjusted from the revised assessed tariff for the FY 2025-26. The recovered amount has been calculated by applying the Rs./kWh rate as per the interim tariff (to the extent of Distribution & Supply Margin and PYA), with the projected unit sales from July to December 2025.

14.12. The adjusted revenue requirement so worked out for the period from Jan. to Jun. 26 has been clubbed together with the provisional revenue requirement determined for the period from Jul. to Dec. 2026, to work out the overall revenue requirement of the Petitioner for the period from January 2026 to December 2026. The Schedule of Tariff (SoT) of the Petitioner has been designed accordingly.

14.13. Any under over recovery of the determined revenue requirement for the FY 2025-26, based on the allowed regulatory targets in terms of T&D losses, recovery etc., and provisional revenue requirement being allowed for the six months period i.e. from Jul. to Dec.26, would be adjusted subsequently, while determining the final revenue requirement of the Petitioner for the FY 2026-27.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

15. Whether the requested PYA is justified?

15.1. The Petitioner requested following PYA in its Tariff petition;

Description	Rs. In M
Un recovered Quarterly tariff adjustment	4,940
Un recovered distribution margin	4,367
Prime Minister assistance Package	1,240
Un recovered Supplementary charges	13,878
Turn over tax	1,126
TOTAL PYA	**25,552**

Recovery of Quarterly Adjustments

- ✓ The Petitioner submitted that it has been allowed Quarterly Adjustments during 4th Qtr of FY 2022-23, which were subsequently notified by Government of Pakistan. The recovery period 6 Months for 4th Qtr, the un recovered cost under / over has been calculated amounting Rs. 4,940 Million for the Prior Year Adjustment.

Under-Recovered Distribution Margin (DM)

- ✓ The Petitioner submitted that it has been allowed Distribution Margin (DM) Amounting Rs.10,402/-(Million) for the FY 2023-24, Whereas actual recovery is amounting to Rs. 14,769 million.

PM Assistance Package

- ✓ The Petitioner submitted that it has been allowed the PM Assistance package Amounting Rs. 1,966 (Million) in the Annual Indexation for the FY 2024-25 under the head Prior Years adjustment , whereas as the payment made amounting Rs. 726 (Million).

Late payment Surcharge

- ✓ CPPA-G has issued the advices against Late Payment Surcharge for the FY 2024-25 (up to March-2025) amounting to Rs. 15,004 Million whereas SEPCO has recovered from consumer amounting Rs. 1,126 Million from Jul-24 to Mar-25, the impact of under recovery Amounting Rs. 13,878 Million in the PYA.

Turn over Tax

- ✓ The Actual payment made during the FY 2023-24 Amounting Rs. 151 (Million) & Rs. 975 (Million) for the FY 2024-25 (Jul-24 to Mar-25).

15.2. The Petitioner reiterated its aforementioned requested PYA during hearing.

15.3. The Authority has analyzed the PYA workings provided by the Petitioner and also obtained additional information in terms of category wise sales data from PITC. Based on the available information, Authority's decisions in terms of FCAs and Quarterly adjustments for the relevant period, mechanism provided in the MYT determination, and data provided by the Petitioner, the Authority has assessed the PYA of the Petitioner under various heads as under;

NEPRA AUTHORITY
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

Rs. Mln

Description	SEPCO
QTR	105
D.M	1,210
PYA	628
Sales Mix	-
True Ups	-
2023-24	(1,922)
2024-25	3,440
Other Head	(4,240)
Total	**(780)**

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

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

16.1. The petitioner during the hearing submitted that consumers of Net-metering rely on the Grid both for backup supply during low or No Solar Generation and for Exporting Surplus Energy. In the absence of Fixed Charges on exports, these consumers avoid contributing to Grid Maintenance Costs, creating Cross-Subsidization where non-solar users bear higher fixed costs. Increasing penetration of net-metering reduces DISCO revenue, leading to inequity. Levying fixed charges on these consumers can contribute to fair and equitable cost recovery across the system in NE Plan 2023-27.

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

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

16.3. DISCOs were also directed to jointly develop, through mutual consultation, a uniform Terms of Reference (ToR) to carry out the above studies and submit the same to NEPRA for approval. DISCOs have prepared and submitted the ToRs, which are currently under review.

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

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

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

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

17.1. The petitioner submitted that requested recovery targets is firmly anchored in SEPCO's verified historical performance, which shows a consistent and demonstrable climb from 56.5% in FY 2019-20 to 70.2% in FY 2024-25.

Year	Billing (Rs. In M)	Collection (Rs. In M)	% of Collectio
FY 2019-20	47,867	27,050	57%
FY 2020-21	50,267	32,235	64%
FY 2021-22	63,210	40,315	64%
FY 2022-23	79,200	54,008	68%
FY 2023-24	107,632	72,228	67%
FY 2024-25	98,181	68,882	70%

17.2. This established four-year upward trend provides a credible foundation for future projections. The forecasted trajectory—rising to 70.2% in FY 2024-25, 85% in FY 2025-26, and achieving a sustained 100% from FY 2026-27 onwards.

17.3. Consequently, the targets represent a data-driven and strategically supported pathway, which is not only justified but imperative for the long-term viability and service delivery of the distribution company. The projected Provision for Bad Debts estimated @ 5% of the consumer sales for the control period considering the recovery target.

Rs. Mln

Description	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Provision for Bad Debts	5,619	6,061	6,568	7,094	7,796

17.4. Provision is made on the basis of aging formula approved by BoD SEPCO & agreed with auditors. The main reasons for provision for bad debts is the low recovery due to worst law and order situation in the jurisdiction of the company. Administration & Political obligations don't allow to take severe action against the defaulters. Moreover, disconnection creates law and order situation in the shape of road blockage and attacks on SEPCO staff, Grid Stations & Offices. In view therefor, the Petitioner requested the Authority to allow provision for bad debts projected for FY 2025-26 to FY 2029-30.

17.5. The Authority note that, historically, XWDISCOs have not been allowed any recovery loss and tariff determination have been based on the assumptions of 100% recovery. While write offs were allowed to certain XWDISCOs on provisional basis, subject to fulfillment of the prescribed down criteria, but no XWDISCO was ultimately able to meet the said

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

criteria write-off any amount. Consequently, the provisionally allowed amounts of write-offs were adjusted back.

17.6. The Authority although initially allowed recovery loss to K-Electric, however, subsequently in the matter of Motion for Leave for Review filed by various stakeholders including the Ministry of Energy (MoE (PD)) itself, and the CPPA-G, the Authority decided not to allow any upfront recovery loss and only a capped amount of write-offs was allowed to K-Electric, subject to fulfillment of the prescribed criteria.

17.7. For ready reference the grounds taken by the MoE, being the owner of XWDISCOs, and the CPPA-G in their MLRs in the matter of KE's MYT FY 2024-30 are reproduced below;

- ✓ Allowing of a recovery loss trajectory, effectively transfers the financial burden of DISCO inefficiencies onto paying consumers, thereby penalizing compliant customers while subsidizing non-payment. The MoE (PD) also submitted that this approach is inconsistent with the principle of prudent cost recovery enshrined in Section 31 of the NEPRA Act and the Tariff Rules.

- ✓ Clause 5.3.2 of the NE Policy envisages that "timely recovery of bad debt that is prudent shall be allowed by the Regulator with the incorporation of facilitative provisions in the regulatory framework as per industry practices and procedures." In this context, SD 31 of the NE Plan operationalizes Clause 5.3.2 of the NE Policy by laying out clear criteria for bad debt write-offs applicable across the sector. Clause 6.1.3 of the NE Policy reinforces that the NE Plan shall serve as the implementation tool for achieving policy goals.

- ✓ Consequently, the Authority is legally obligated under Sections 7(2)(ia), 14A(5), and 31(1) of the NEPRA Act to align tariff determinations with the NE Plan and apply its prescriptions uniformly to all DISCOs. If this practice of allowing recovery loss is extended sector-wide, the projected annual burden would rise to Rs.270 billion, potentially accumulating to Rs.1,500 billion over seven years. Such a development would jeopardize the financial sustainability of the power sector and run contrary to the goals of tariff rationalization and reform-based efficiency.

- ✓ The Act mandates the Authority to allow only prudently incurred costs and any in-efficiencies on the part of utility company cannot considered as prudent cost and should not be allowed.

- ✓ It is the duty of the Authority while discharging its function of determining and recommending tariff that: (a) the interests of the consumers and the companies engaged in providing electric power services is duly protected in accordance with the principles of transparency and impartiality; and (b) it shall be guided by the NE Policy, the NE Plan and the guidelines of the Federal Government.

- ✓ Recovery shortfall (if any) be met by way of application of principles of write-off, subject to fulfilment of specified criteria for such write-off of bad debts, in line with industry practices and procedures in other regulatory jurisdictions, which shall duly protect the interests of the consumers and companies engaged in providing electric power services and would be consistent with the NE Policy and the NE Plan.

17.8. The Authority while deciding the MLR of the MoE and CPPA-G in the matter of KE's MYT, also construed that since the MoE (PD) is actively pursuing privatization of other

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

XWDISCOs, so the submissions made by the MoE (PD) in its Motions for not allowing any up-front recovery loss, can be construed as a policy decision, meaning thereby that similar treatment will be offered to other DISCOs.

17.9. In view of the above discussion and the fact that allowing recovery loss allowance effectively transfers the financial burden of DISCO's inefficiencies onto the paying consumers or on the national exchequer through subsidies, the Authority has decided not to allow any upfront recovery loss to the Petitioner. Accordingly, SEPCO's tariff is being determined on the basis of 100% recovery target. SEPCO, however, will be allowed to claim write-offs, **after fulfillment of the given criteria, as per the following limits, to be considered as maximum cap for the relevant year;**

FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
3.00%	2.50%	2.00%	1.50%	1.00%

<u>Criteria for claiming actual write-offs</u>

a. Actual write-offs, if any, against private consumers only, pertaining to billing made during the current MYT period i.e. FY 2026-30, after fulfillment of the following criteria subject to maximum cap as provided above. The claim shall be verified by third party/auditor, based on the following criteria;

i. The claim shall be applicable for the default amount of a permanently disconnected consumer that may not be recovered through all efforts possible.

ii. The age of such non-recovery is over three (3) years.

iii. The amount of write off shall be claimed against connections given as per CSM and other applicable documents, duly supported by CNICs.

iv. Write-offs against receivables of any Government entity / PSC shall not be allowed.

v. Petitioner's BOD shall develop a write-off policy, in accordance with the aforementioned criteria and submit it to the Authority for its approval. The Authority, may while granting approval alter, modify or add to the write-off policy, in its sole discretion.

vi. Petitioner's BOD shall approve all write-off claims in accordance with the Authority's approved write-off policy. The Petitioner's BOD approved write-off shall be subject to independent third-party verification that the write-offs are as per the Authority's approved write-off policy. The terms of references (TORs) for third party / auditor verification of write-offs shall be prepared by Petitioner and shall be approved by the Authority. The Authority, may while granting approval alter, modify or add to the TORs, in its sole discretion.

vii. Any write-off approved by the Petitioner's BOD, in accordance with the write-off policy approved by the Authority, and verified by the third-party independent auditor, in accordance with the approved TORs, after expiry of the MYT 2026-2030 shall be allowed by the Authority.

18. <u>Whether the existing fixed charges applicable to different consumer categories needs to be revised and requires any changes in mechanism for charging of such charges based on Actual MDI or Sanctioned Load or otherwise?</u>

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

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

19.1. The Petitioner during the hearing submitted that Fixed charges per KW @ Sanctioned load may be charged to domestic, agricultural, commercial and bulk consumers and half the rate may be charged to none usage of electricity in any month for 6 months only. After 6 months minimum Rs. 100/KW be charged. The load over and above sanctioned may be regularized without charging the security deposit of extended load (only domestic consumers).

19.2. The Authority noted that earlier fixed charges were being levied at around Rs.400-500/kW/month based on higher of 50% of sanctioned load or actual MDI for the month. The rate was subsequently enhanced to Rs.2,000/kW/month vide decisions dated 14.06.2024, however, the Federal Government vide its Motion for uniform tariff dated 03.07.2024, requested to revised the same downward as Rs.1,250/kW/month based on higher of 25% of the sanctioned load or actual MDI for the month. The Authority vide decision dated 11.07.2024, in the matter of uniform tariff Motion, considering the concerns raised by stakeholders, and prevailing economic challenges decided to restrict fixed charges at Rs.1,250/kW/month.

19.3. The prime objective of revision in fixed charges and corresponding reduction in variable charges is to incentivize consumers to increase their electricity consumption from national grid, thus, lowering their overall effective tariff.

19.4. Here it is also to be highlighted that the Authority has recently initiated the process of notifying the NEPRA (Prosumer) Regulations, whereby, changes in both the methodology and rate for the exported units are being proposed. These amendments, once approved, may result in increased consumption from the Grid, consequently leading to higher recovery of fixed costs, as part of variable charges. In view thereof, for the purpose of instant determination, the Authority has decided to maintain the existing rate of fixed charges for the consumers who are currently being charged fixed charges at Rs./kW/month along-with the applicability mechanism.

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

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

20.1. The Petitioner submitted that the existing Tariff structure is based on NEPRA determination and GoP Notified Tariff. The Cost of service in respect of all Tariff categories worked out on FACOS (Fully Allocated Cost of Service) Model on the basis of projected Revenue requirement and Energy Received and Sale Nos. considering the NEPRA Targeted Losses of 16.31%. Average Cost of Service worked out as Rs. 35.53 / Kwh, however on the requested losses of 36% comes to Rs. 46.44/Kwh. NEPRA determined and GoP rates are based on Subsidy / Cross subsidy, where as Cost of Service based Tariff structure will increase / decrease existing tariff structure. The matter of Tariff design/ consumer end Tariff is policy matter, decided after detailed deliberation with all stakeholders, example on next slide.

20.2. The submissions of all DISCOs regarding the applicability of a cost-of-service (CoS) based tariff structure have been analyzed. Multiple DISCOs HESCO, GEPCO, QESCO,

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

HAZECO, and PESCO explicitly referred to the NE Plan SD-82, 83 and 84, which call for transitioning toward CoS-based tariffs to promote transparency, financial sustainability, and equitable allocation of costs among consumer categories. DISCOs in general have supported CoS based tariff design, which would enhance transparency, and equitable cost allocation among consumers in terms of actual costs they impose on the system.

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

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

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

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

ii. other residential consumers (above cost recovery).

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

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

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

21.1. The Authority notes that submissions were received from DISCOs on the subject; however, the Authority observes that the issue raised stands substantially addressed within the existing regulatory framework

21.2. The Authority is of the view that appropriate sharing mechanism for any savings by the utility have already been provided under each head separately e.g. O&M costs, T&D losses, cost of debt etc. therefore, no separate claw-back mechanism is required. However, in the event any additional return by the Petitioner, which is not otherwise addressed under the approved mechanism, the same would be shared between DISCO and consumers equally.

22. <u>Order</u>

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

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

Description	Unit	Revised Allowed SOP	Allowed CY 2026 SOP
Units Received	[MkWh]		3,995
Units Sold	[MkWh]		3,344
Units Lost	[MkWh]		652
Units Lost	[%]		16.31%
Energy Charge			32,325
Capacity Charge			65,055
Transmission Charge/ Market Operator Fee			8,251
Power Purchase Price	[Mln. Rs.]		105,631
Wire Business Margin			23,653
Power Purchase Price with Wire Business			129,284
Pay & Allowances		1,285	1,228
Post Retirement Benefits		862	1,112
Repair & Maintainance		73	72
Traveling allowance		47	45
Vehicle maintenance		9	8
Other expenses		36	49
O&M Cost	[Mln. Rs.]	2,311	2,515
Depriciation		7	7
RORB		14	15
O.Income		(238)	(226)
Margin	[Mln. Rs.]	2,095	2,312
Prior Year Adjustment	[Mln. Rs.]		2,120
Working Capital	[Mln. Rs.]		(385)
Revenue Requirement	[Mln. Rs.]	2,095	133,331
Average Tariff	[Rs./kWh]		39.88

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

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

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

Description	Pass Through	ADJUSTMENTS/ INDEXATION	TIME LINES
Power Purchase Price	Pass through	The Authority, keeping in view of any abnormal changes may review Power Purchase Price references along with any Quarterly adjustment	
Fuel Cost		Monthly, as per the approved mechanism. Impact of FCA on T&D losses would be adjusted on Quarterly basis.	Data to be provided by CPPA (G) by close of the month
Variable O&M		Quarterly, as per the approved Quarterly adjustment mechanism.	Request to be furnished by the Petitioner not later than a period of 07 Days on Quarterly basis.
Capacity Charges		Quarterly, as per the approved Quarterly adjustment mechanism.	Request to be furnished by the Petitioner not later than a period of 07 Days on Quarterly basis.
Transmission /UOSC & MOF Charges		Quarterly, as per the approved Quarterly adjustment mechanism.	Request to be furnished by the Petitioner not later than a period of 07 Days on Quarterly basis.
Margin			
Salaries, Wages & Benefits		Annually as per the mechanism given in the decision	Request to be submitted by Petitioner in end of July of every year, so that adjustment / indexation for the next year is determined in timely manner.
Post-retirement Benefit			
Other operating expenses			
Depreciation			
Return on Regulatory Asset Base			
Other Income			
Prior Year Adjustment		Annually as per the mechanism given in the decision	
KIBOR		Bi-Annually, as per the decision	
Return on Equity (ROE)		No adjustment allowed over Reference ROE	
Spread		As per the mechanism in the decision	

22.4. The Petitioner is responsible to provide distribution service within its service territory on a non-discriminatory basis to all the consumers who meet the eligibility criteria laid down by the Authority and make its system available for operation by any other licensee, consistent with applicable instructions established by the system operator.

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

22.6. The Petitioner is also directed to ensure breakup of its Operating cost in terms of Distribution and Supply function separately in its audited financial statements.

22.7. The Petitioner shall follow the performance standards laid down by the Authority for distribution and transmission of electric power, including safety, health and environmental protection instructions issued by the Authority or any Governmental agency or Provincial Government;

22.8. The Petitioner shall ensure to develop, maintain and publicly make available, its investment program for satisfying its service obligations and acquiring and selling its assets.

22.9. The Petitioner shall disconnect the provision of electric power to a consumer for default in payment of power charges or to a consumer who is involved in theft of electric power on the request of Licensee.

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

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

23.1. The Authority hereby directs the Petitioner;

i. To provide the reconciled date of sales mix for last 3 years with its reported revenue as per audited financial statements.

ii. To certify that no capex nature expenses recorded as part of O&M expenses

iii. To provide comprehensive reconciliation of PYA allowed under different heads for at least last 3 years with the revenue reported in audited accounts.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

iv. To provide year wise detail of amounts deposited in the Fund, amount withdrawn along- with profit/interest earned thereon since creation of Fund each year.

v. To provide the amount of IDC capitalized with its subsequent adjustment request and reflect the same in its Audited Financial Statements each year.

vi. To get its data, regarding units billed to lifeline consumers, domestic consumers (consuming up-to 300 units) and Agriculture consumers, reconciled with PITC and submit such reconciliation to the Authority every year.

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

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

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

25. The instant determination of the Authority along-with order part and Annexures, be also notified in terms of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, while notifying the uniform tariff application decision of the Authority.

AUTHORITY

Amina Ahmed
Member

Engr. Maqsood Anwar Khan
Member

Waseem Mukhtar
Chairman

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
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Annex-I

FUEL PRICE ADJUSTMENT MECHANISM

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

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

Where:

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

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

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

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

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
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Annex-I-A

QUARTERLY ADJUSTMENT MECHANISM

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

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

Where;

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

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

Impact of T&D losses on FCA

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

Where;

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

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

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

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Annex-II

Sukkur Electric Power Company Limited (SEPCO)
Estimated Sales Revenue on the Basis of New Tariff

Description	Sales		Base Revenue			Base Tariff			PYA 2025		Total Tariff		
	GWh	% Mix	Fixed Charge	Variable Charge	Total	Fixed Charge	Fixed Charge	Variable Charge	Amount	Variable Charge	Fixed Charge	Fixed Charge	Variable Charge
			Mln. Rs.	Mln. Rs.	Mln. Rs.	Rs./Con/ M	Rs./kW/ M	Rs./ kWh	Mln. Rs.	Rs./ kWh	Rs./Con/ M	Rs./kW/ M	Rs./ kWh
Residential													
For peak load requirement less than 5 kW													
Protected													
Up to 50 Units - Life Line	145	4.35%	-	5,684	5,684	-	-	39.10	92	0.63	-	-	39.7
51-100 units - Life Line	60	1.79%	-	2,377	2,377	-	-	39.71	38	0.63	-	-	40.3
01-100 Units	948	28.36%	-	38,559	38,559	-	-	40.67	601	0.63	-	-	41.3
101-200 Units	170	5.09%	-	6,893	6,893	-	-	40.53	108	0.63	-	-	41.1
Un-Protected													
01-100 Units	132	3.95%	-	5,701	5,701	-	-	43.19	84	0.63	-	-	43.8
101-200 Units	174	5.22%	-	7,780	7,780	-	-	44.61	111	0.63	-	-	45.2
201-300 Units	144	4.31%	-	6,444	6,444	-	-	44.69	91	0.63	-	-	45.3
301-400 Units	48	1.44%	14	2,111	2,124	200	-	43.83	31	0.63	200	-	44.4
401-500 Units	30	0.91%	15	1,324	1,339	400	-	43.42	19	0.63	400	-	44.0
501-600 Units	19	0.56%	13	835	848	600	-	43.21	12	0.63	600	-	43.8
601-700Units	13	0.39%	11	558	569	800	-	42.76	8	0.63	800	-	43.3
Above 700 Units	41	1.24%	33	1,763	1,795	1,000	-	42.60	26	0.63	1,000	-	43.2
For peak load requirement exceeding 5 kW)													
Time of Use (TOU) - Peak	4	0.12%	28	176	203	1,000	-	43.38	3	0.63	1,000	-	44.0
Time of Use (TOU) - Off-Peak	22	0.66%	-	903	903	1,000	-	40.84	14	0.63	1,000	-	41.4
Temporary Supply	0	0.00%	0	0	0	2,000	-	47.61	0	0.63	2,000	-	48.2
Total Residential	1,953	58.40%	112	81,108	81,220				1,238				
Commercial - A2													
For peak load requirement less than 5 kW	77	2.31%	1,021	2,520	3,541	1,000	-	32.59	49	0.63	1,000	-	33.2
For peak load requirement exceeding 5 kW						-	-						
Regular	12	0.35%	55	394	449	-	1,250	33.28	8	0.63	-	1,250	33.9
Time of Use (TOU) - Peak	22	0.67%	-	880	880	-	-	39.38	14	0.63	-	-	39.9
Time of Use (TOU) - Off-Peak	126	3.77%	949	3,962	4,910	-	1,250	31.46	80	0.63	-	1,250	32.0
Temporary Supply	0	0.01%	1	16	17	5,000	-	45.91	0	0.63	5,000	-	46.5
Electric Vehicle Charging Station	0	0.00%	-	-	-	-	-	41.21	-	0.63	-	-	41.8
Total Commercial	238	7.11%	2,026	7,771	9,797				151				
General Services-A3	189	5.65%	135	7,399	7,534	1,000	-	39.14	120	0.63	1,000	-	39.7
Industrial													
B1	18	0.53%	13	575	588	1,000	-	32.18	11	0.63	1,000	-	32.8
B1 Peak	5	0.15%	-	176	176	1,000	-	35.50	3	0.63	1,000	-	36.1
B1 Off Peak	50	1.51%	59.53	1,537	1,597	1,000	-	30.44	32	0.63	1,000	-	31.0
B2	4	0.11%	16	114	130	-	1,250	30.81	2	0.63	-	1,250	31.4
B2 - TOU (Peak)	47	1.39%	-	1,643	1,643	-	-	35.23	30	0.63	-	-	35.8
B2 - TOU (Off-peak)	285	8.54%	1,873	7,442	9,315	-	1,250	26.07	181	0.63	-	1,250	26.7
B3 - TOU (Peak)	10	0.30%	-	347	347	-	-	35.13	6	0.63	-	-	35.7
B3 - TOU (Off-peak)	38	1.15%	184	789	973	-	1,250	20.53	24	0.63	-	1,250	21.1
B4 - TOU (Peak)	6	0.18%	-	214	214	-	-	35.03	4	0.63	-	-	35.6
B4 - TOU (Off-peak)	31	0.92%	141	747	888	-	1,250	24.17	20	0.63	-	1,250	24.8
Temporary Supply	0	0.01%	0	16	16	5,000	-	37.48	0	0.63	5,000	-	38.1
Total Industrial	495	14.80%	2,286	13,600	15,887				314				
Single Point Supply													
C1(a) Supply at 400 Volts-less than 5 kW	3	0.10%	4	139	143	2,000	-	40.93	2	0.63	2,000	-	41.5
C1(b) Supply at 400 Volts-exceeding 5 kW	38	1.14%	141	1,045	1,186	-	1,250	27.42	24	0.63	-	1,250	28.0
Time of Use (TOU) - Peak	12	0.35%	-	449	449	-	-	38.87	7	0.63	-	-	33.5
Time of Use (TOU) - Off-Peak	62	1.85%	146	2,011	2,157	-	1,250	32.52	39	0.63	-	1,250	33.1
C2 Supply at 11 kV	7	0.22%	23	204	227	-	1,250	28.13	5	0.63	-	1,250	28.7
Time of Use (TOU) - Peak	15	0.44%	-	615	615	-	-	41.72	9	0.63	-	-	42.3
Time of Use (TOU) - Off-Peak	77	2.31%	362	1,942	2,304	-	1,250	25.15	49	0.63	-	1,250	25.7
C3 Supply above 11 kV	17	0.50%	88	583	672	-	1,250	34.91	11	0.63	-	1,250	35.5
Time of Use (TOU) - Peak	0	0.00%	-	-	-	-	-	44.64	-	0.63	-	-	45.2
Time of Use (TOU) - Off-Peak	0	0.00%	-	-	-	-	1,250	32.96	-	0.63	-	1,250	33.5
Total Single Point Supply	231	6.90%	765	6,989	7,754				146				
Agricultural Tube-wells - Tariff D													
Scarp	6	0.19%	-	210	210	-	-	33.18	4	0.63	-	-	33.8
Time of Use (TOU) - Peak	1	0.03%	-	32	32	-	-	30.30	1	0.63	-	-	30.9
Time of Use (TOU) - Off-Peak	9	0.26%	14	246	260	-	400	28.12	6	0.63	-	400	28.7
Agricultual Tube-wells	5	0.16%	8	221	229	-	400	41.03	3	0.63	-	400	41.6
Time of Use (TOU) - Peak	5	0.15%	-	227	227	-	-	44.73	3	0.63	-	-	45.3
Time of Use (TOU) - Off-Peak	37	1.10%	82	1,370	1,452	-	400	37.30	23	0.63	-	400	37.9
Total Agricultural	63	1.89%	104	2,306	2,410				40				
Public Lighting - Tariff G	174	5.21%	11	6,569	6,580	2,000	-	37.73	110	0.63	2,000	-	38.3
Residential Colonies	1	0.03%	0	29	30	2,000	-	33.07	1	0.63	2,000	-	33.7
	175	5.23%	11	6,598	6,610				111				
Pre-paid Supply Tariff													
Residential	-	-	-	-	-	1,000	-	47.86	-	0.63	1,000	-	48.5
Commercial - A2	-	-	-	-	-	-	1,250	37.68	-	0.63	-	1,250	38.3
General Services - A3	-	-	-	-	-	1,000	-	45.11	-	0.63	1,000	-	45.7
Industrial	-	-	-	-	-	-	1,250	31.70	-	0.63	-	1,250	32.3
Single Point Supply	-	-	-	-	-	-	1,250	34.92	-	0.63	-	1,250	35.5
Agriculture Tube-wells - Tariff D	-	-	-	-	-	-	400	41.97	-	0.63	-	400	42.6
Grand Total	3,344	100%	5,439	125,772	131,211				2,120				

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

Math. 9

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
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SCHEDULE OF ELECTRICITY TARIFFS
FOR SUKKUR ELECTRIC POWER COMPANY (SEPCO)

A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL

	Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs / Cons / M	FIXED CHARGES Rs / kW / M	VARIABLE CHARGES Rs/kWh		FYA 2025 Rs/kWh		Total Variable Charges Rs/kWh	
			A	B	C		D		E=C+D	
	a)	For Sanctioned load less than 5 kW								
Protected	i	Up to 50 Units - Life Line	-			39.10		0.63		39.73
	ii	51 - 100 Units - Life Line	-			39.71		0.63		40.34
	iii	001 - 100 Units	-			40.67		0.63		41.30
	iv	101 - 200 Units	-			40.53		0.63		41.17
Un-Protected	v	001 - 100 Units	-			43.19		0.63		43.82
	vi	101 - 200 Units	-			44.61		0.63		45.24
	iv	201 - 300 Units	-			44.69		0.63		45.32
	viii	301 - 400 Units	200			43.83		0.63		44.47
	ix	401 - 500 Units	400			43.42		0.63		44.05
	x	501 - 600 Units	600			43.21		0.63		43.85
	xi	601 - 700 Units	800			42.76		0.63		43.39
	xi	Above 700 Units	1,000			42.60		0.63		43.24
	b)	For Sanctioned load 5 kW & above			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
		Time Of Use	1,000		43.36	40.84	0.63	0.63	44.00	41.47
	c)	Pre-Paid Residential Supply Tariff	1,000			47.86		0.63		48.50

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

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

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

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

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

A-2 GENERAL SUPPLY TARIFF - COMMERCIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs / Cons / M	FIXED CHARGES Rs / kW / M	VARIABLE CHARGES Rs/kWh		FYA 2025 Rs/kWh		Total Variable Charges Rs/kWh	
		A	B	C		D		E=C+D	
a)	For Sanctioned load less than 5 kW	1,000			32.59		0.63		33.23
b)	For Sanctioned load 5 kW & above		1,250		33.28		0.63		33.92
				Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
c)	Time Of Use	-	1,250	39.36	31.46	0.63	0.63	39.99	32.09
d)	Electric Vehicle Charging Station	-	-		41.21		0.63		41.84
e)	Pre-Paid Commercial Supply Tariff		1,250		37.68		0.63		38.31

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

A-3 GENERAL SERVICES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs / Cons / M	FIXED CHARGES Rs / kW / M	VARIABLE CHARGES Rs/kWh	FYA 2025 Rs/kWh	Total Variable Charges Rs/kWh
		A	B	C	D	E=C+D
a)	General Services	1,000	-	39.14	0.63	39.78
b)	Pre-Paid General Services Supply Tariff	1,000	-	45.11	0.63	45.74

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

B INDUSTRIAL SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs / Cons / M	FIXED CHARGES Rs / kW / M	VARIABLE CHARGES Rs/kWh		FYA 2025 Rs/kWh		Total Variable Charges Rs/kWh	
		A	B	C		D		E=C+D	
B1	Upto 25 kW (at 400/230 Volts)	1,000	-		32.18		0.63		32.82
B2(a)	exceeding 25-500 kW (at 400 Volts)	-	1,250		30.81		0.63		31.44
	Time Of Use			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
B1 (b)	Up to 25 KW	1,000		35.50	30.44	0.63	0.63	36.13	31.08
B2(b)	exceeding 25-500 kW (at 400 Volts)	-	1,250	35.23	26.07	0.63	0.63	35.86	26.71
B3	For All Loads up to 5000 kW (at 11,33 kV)	-	1,250	35.13	20.53	0.63	0.63	35.77	21.16
B4	For All Loads (at 66,132 kV & above)	-	1,250	35.03	24.17	0.63	0.63	35.67	24.80
Pre-Paid Industrial Supply Tariff		-	1,250		31.70		0.63		32.34

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

C - SINGLE POINT SUPPLY

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs / Cons / M	FIXED CHARGES Rs / kW / M	VARIABLE CHARGES Rs/kWh		FYA 2025 Rs/kWh		Total Variable Charges Rs/kWh	
		A	B	C		D		E=C+D	
C -1	For supply at 400/230 Volts								
a)	Sanctioned load less than 5 kW	2,000			40.93		0.63		41.56
b)	Sanctioned load 5 kW & up to 500 kW	-	1,250		27.42		0.63		28.05
C -2(a)	For supply at 11,33 kV up to and including 5000 kW	-	1,250		28.13		0.63		28.76
C -3(a)	For supply at 66 kV & above and sanctioned load above 5000 kW	-	1,250		34.91		0.63		35.54
	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	38.87	32.52	0.63	0.63	39.51	33.16
C -2(b)	For supply at 11,33 kV up to and including 5000 kW	-	1,250	41.72	25.15	0.63	0.63	42.35	25.79
C -3(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	-	1,250	44.64	32.96	0.63	0.63	45.27	33.59
Pre-Paid Bulk Supply Tariff			1,250		34.92		0.63		35.55

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.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

43

SCHEDULE OF ELECTRICITY TARIFFS FOR SUKKUR ELECTRIC POWER COMPANY (SEPCO)

D - AGRICULTURE TARIFF

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs / Cons / M	FIXED CHARGES Rs / kW / M	VARIABLE CHARGES Rs/kWh		FYA 2025 Rs/kWh		Total Variable Charges Rs/kWh	
		A	B	C		D		E=C+D	
D-1(a)	SCARP less than 5 kW	-	-	33.16		0.63		33.81	
D-2 (a)	Agricultural Tube Wells	-	400	41.03		0.63		41.66	
				Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
D-1(b)	SCARP 5 kW & above	-	400	30.30	28.12	0.63	0.63	30.93	28.76
D-2 (b)	Agricultural 5 kW & above	-	400	44.73	37.30	0.63	0.63	45.37	37.94
Pre-Paid for Agri & Scarp		-	400		41.97		0.63		42.61

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

E - TEMPORARY SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs / Cons / M	FIXED CHARGES Rs / kW / M	VARIABLE CHARGES Rs/kWh	FYA 2025 Rs/kWh	Total Variable Charges Rs/kWh
		A	B	C	D	E=C+D
E-1(i)	Residential Supply	2,000		47.61	0.63	48.24
E-1(ii)	Commercial Supply	5,000		45.91	0.63	46.55
E-2	Industrial Supply	5,000		37.48	0.63	38.11

F - SEASONAL INDUSTRIAL SUPPLY TARIFF

125% of relevant industrial tariff

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

G - PUBLIC LIGHTING

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs / Cons / M	FIXED CHARGES Rs / kW / M	VARIABLE CHARGES Rs/kWh	FYA 2025 Rs/kWh	Total Variable Charges Rs/kWh
		A	B	C	D	E=C+D
	Street Lighting	2,000		37.73	0.63	38.37

H - RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs / Cons / M	FIXED CHARGES Rs / kW / M	VARIABLE CHARGES Rs/kWh	FYA 2025 Rs/kWh	Total Variable Charges Rs/kWh
		A	B	C	D	E=C+D
	Residential Colonies attached to industrial premises	2,000.00		33.07	0.63	33.70

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

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NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

44

SEPCO

Description	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Total
Units Purchased by DISCOs (GWh)	187	151	224	323	414	469	497	487	458	374	234	178	3,995

Fuel Cost Component	10.3954	6.7337	7.9952	8.2498	8.4315	7.7138	7.0929	7.0998	7.4595	7.8696	6.2441	8.0165	7.6968
Variable O&M	0.3912	0.2967	0.3527	0.3719	0.4775	0.4390	0.4029	0.3880	0.3916	0.4249	0.3019	0.3211	0.3944
Capacity	20.1231	24.6701	27.9197	20.7993	13.4786	12.6593	12.8196	13.6770	13.1281	14.2868	21.6948	20.3817	16.2837
UoSC	2.1946	2.4623	3.1215	2.6504	1.9118	1.8615	1.8165	1.8811	1.8205	1.7926	2.2618	2.2418	2.0654
Total PPP in Rs. / kWh	33.1042	34.1629	39.3890	32.0714	24.2995	22.6735	22.1318	23.0460	22.7998	24.3740	30.5025	30.9611	26.4402

Fuel Cost Component	1,947	1,018	1,788	2,663	3,493	3,617	3,523	3,456	3,413	2,944	1,461	1,426	30,749
Variable O&M	73	45	79	120	198	206	200	189	179	159	71	57	1,576
Capacity	3,768	3,729	6,245	6,715	5,583	5,935	6,368	6,658	6,007	5,345	5,075	3,626	65,055
UoSC	411	372	698	856	792	873	902	916	833	671	529	399	8,251
Total PPP in Rs. Mln	6,199	5,163	8,810	10,354	10,066	10,630	10,993	11,219	10,433	9,119	7,136	5,508	105,631

It is clarified that PPP is pass through for all DISCOs and its monthly references would continue to exist irrespective of the financial year, unless the new SOT is revised and notified by the GoP

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

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 SEPCO 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.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

46

7. "Sanctioned Load" where applicable means the load in kilowatt as applied for by the consumer and allowed/authorized by the Company for usage by the consumer.

8. "Power Factor" means the ratio of kWh to KVAh recorded during the month or the ratio of kWh to the square root of sum of square of kWh and kVARh,.

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

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

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

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

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

12. "Consumer" as defined in NEPRA Act.

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

14. NTDC means the National Transmission and Despatch Company.

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

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

GENERAL CONDITIONS

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

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

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

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

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

47

PART-II

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

A-1 RESIDENTIAL

Definition

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

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

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

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

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

A-2 COMMERCIAL

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

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY NEPRA AUTHORITY

48

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

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

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

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

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

A-3 GENERAL SERVICES

1. This tariff is applicable to;

   i. Approved religious and charitable institutions

   ii. Government and Semi-Government offices and Institutions

   iii. Government Hospitals and dispensaries

   iv. Educational institutions

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

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

B INDUSTRIAL SUPPLY

Definitions

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

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

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

   i) Poultry Farms

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

   iii) Software houses

Conditions

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

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY NEPRA AUTHORITY

49

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

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

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

B-2 SUPPLY AT 400 VOLTS

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

B-3 SUPPLY AT 11 kV AND 33 kV

1. This tariff is applicable for supply to Industries having sanctioned load of more than 500 kW up to and including 5 MW and also for Industries having sanctioned load of 500 kW or below who opt for receiving supply at 11 kV or 33 kV.
2. The consumers may be allowed extension of load beyond 5MW upto 7.5MW from the DISCO's owned grid station subject to availability of load in the grid and capacity in the 11kV existing dedicated feeder. In such a case the consumer will bear 100% grid sharing charges including transmission line charges and 100% cost of land proportionate to load. While allowing extension in load, the DISCOs shall ensure that no additional line losses are incurred and additional loss, if any, shall be borne by the respective consumers.
3. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

50

4. The supply under this Tariff shall not be available to a prospective consumer unless he provides, to the satisfaction and approval of the Company, his own Transformer, Circuit Breakers and other necessary equipment as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively pays to the Company for all apparatus and equipment if so provided and installed by the Company. The recovery of the cost of service connection shall be regulated by the Eligibility Criteria laid down by the Authority read with Consumer Service Manual (CSM).

5. All B-3 Industrial Consumers shall be billed on the basis of T.O.U tariff given in the Schedule of Tariff.

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

1. This tariff is applicable for supply to Industries for all loads of more than 5MW receiving supply at 66 kV, 132 kV and above and also for Industries having load of 5MW or below who opt to receive supply at 66 kV or 132 kV and above.

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

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

4. All B-4 Industrial Consumers shall be billed on the basis of two-part T.O.U tariff.

C BULK SUPPLY

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

General Conditions

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

C-I SUPPLY AT 400/230 VOLTS

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

51

1. This Tariff is applicable to a consumer having a metering arrangement at 400 volts, having sanctioned load of up to and including 500 kW.

2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. C-I(a) tariff.

3. All new consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangement and shall be billed on the basis of Time-of-Use (T.O.U) tariff C-1(c) given in the Schedule of Tariff.

4. All the existing consumers governed by this tariff having sanctioned load 5 kW and above shall be provided T.O.U metering arrangements.

C-2 SUPPLY AT 11 kV AND 33 kV

1. This tariff is applicable to consumers receiving supply at 11 kV or 33 kV at one-point metering arrangement and having sanctioned load of more than 500 kW up to and including 5 MW.

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

3. The supply under this Tariff shall not be available to a prospective consumer unless he provides, to the satisfaction and approval of the Company, his own Transformer, Circuit Breakers and other necessary equipment as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively pays to the Company for all apparatus and equipment if so provided and installed by the Company. The recovery of the cost of service connection shall be regulated by the Eligibility Criteria laid down by the Authority read with CSM.

4. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff C-2(b) as set out in the Schedule of Tariff.

5. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to C-2(b).

C-3 SUPPLY AT 66 kV AND ABOVE

1. This tariff is applicable to consumers having sanctioned load of more than 5000 kW receiving supply at 66 kV and above.

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

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

52

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

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

D AGRICULTURAL SUPPLY

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

Special Conditions of Supply

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

D-1

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

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

53

4. All the existing consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangements and shall be governed by D-1(a) till that time.

D-2

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

E -1 TEMPORARY RESIDENTIAL/COMMERCIAL SUPPLY

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

Special Conditions of Supply

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

E -2 . TEMPORARY INDUSTRIAL SUPPLY

"Temporary Industrial Supply" means the supply given to an Industry for the bonafide purposes mentioned under the respective definitions of "Industrial Supply", during the construction phase prior to the commercial operation of the Industrial concern.

SPECIAL CONDITIONS OF SUPPLY

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

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

2. Normally, temporary connections shall be allowed for a period of 3 months, which may be extended on three months basis subject to clearance of outstanding dues.

F SEASONAL INDUSTRIAL SUPPLY

"Seasonal Industry" for the purpose of application of this Tariff, means an industry which works only for part of the year to meet demand for goods or services arising during a particular season of the year. However, any seasonal industry running in combination with one or more seasonal industries, against one connection, in a manner that the former works in one season while the latter works in the other season (thus running throughout the year) will not be classified as a seasonal industry for the purpose of the application of this Tariff.

Definitions

"Year" means any period comprising twelve consecutive months.

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

Special Conditions of Supply

1. This tariff is applicable to seasonal industry.
2. Fixed Charges per kilowatt per month under this tariff shall be levied at the rate of 125% of the corresponding regular Industrial Supply Tariff Rates and shall be recovered only for the period that the seasonal industry actually runs subject to minimum period of six consecutive months during any twelve consecutive months. The condition for recovery of Fixed Charges for a minimum period of six months shall not, however, apply to the seasonal industries, which are connected to the Company's Supply System for the first time during the course of a season.
3. The consumers falling within the purview of this Tariff shall have the option to change over to the corresponding industrial Supply Tariff, provided they undertake to abide by all the conditions and restrictions, which may, from time to time, be prescribed as an integral part of those Tariffs. The consumers under this Tariff will have the option to convert to Regular Tariff and vice versa. This option can be exercised at the time of obtaining a new connection or at the beginning of the season. Once exercised, the option will remain in force for at least one year.
4. All seasonal loads shall be disconnected from the Company's Supply System at the end of the season, specified by the consumer at the time of getting connection, for which the supply is given. In case, however, a consumer requires running the non-seasonal part of his load (e.g., lights, fans, tube-wells, etc.) throughout the year, he shall have to bring out separate circuits for such load so as to enable installation of separate meters for each type of load and charging the same at the relevant Tariff.
5. Where a "Seasonal Supply" consumer does not come forward to have his seasonal industry re-connected with the Company's Supply System in any ensuing season, the service line and equipment belonging to the Company and installed at his premises shall be removed after expiry of 60 days of the date of commencement of season previously specified by the consumer at the time of his obtaining new connection/re-connection. However, at least ten clear days notice in writing under registered post shall be necessary to be given to the consumer before removal of service line and

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
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55

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.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
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56

ANNEX – VI

Annex-VI (Working of PYA

Description	Units	[illegible]
July		
Purchases		530
T&D Losses		16.68%
Sales after Losses		442
Sales net of Incremental units		436
ISP Sales		5.10
FCA - Rs./kWh		1.42
FCA Impact - Rs. Mln		12.9
Life Line		9.1
Prep-EVCs		-
Protec.-upto 300 + Agri		133.6
Units		9.1
August		
Purchases		545
T&D Losses		16.68%
Sales after Losses		454
Sales net of Incremental units		449
ISP Sales		4.84
FCA - Rs./kWh		1.46
FCA Impact - Rs. Mln		17.1
Life Line		10.3
Prep-EVCs		-
Protec.-upto 300 + Agri		119.6
Units		10.3
September		
Purchases		454
T&D Losses		16.68%
Sales after Losses		378
Sales net of Incremental units		370
ISP Sales		8.45
FCA - Rs./kWh		0.19
FCA Impact - Rs. Mln		2.2
Life Line		11.1
Prep-EVCs		-
Protec.-upto 300 + Agri		132.1
Units		11.1
October		
Purchases		311
T&D Losses		16.68%
Sales after Losses		259
Sales net of Incremental units		251
ISP Sales		8.10
FCA - Rs./kWh		2.56
FCA Impact - Rs. Mln		16.6
Life Line		7.3
Prep-EVCs		-
Protec.-upto 300 + Agri		87.1
Units		7.3
November		
Purchases		205
T&D Losses		16.68%
Sales after Losses		171
Sales net of Incremental units		171
ISP Sales		-
FCA - Rs./kWh		3.51
FCA Impact - Rs. Mln		20.0
Life Line		5.7
Prep-EVCs		-
Protec.-upto 300 + Agri		61.9
Units		5.7
December		
Purchases		177
T&D Losses		16.68%
Sales after Losses		148
Sales net of Incremental units		148
ISP Sales		-
FCA - Rs./kWh		4.12
FCA Impact - Rs. Mln		20.9
Life Line		5.1
Prep-EVCs		-
Protec.-upto 300 + Agri		45.4
Units		5.1
January		
Purchases		198
T&D Losses		16.68%
Sales after Losses		165
Sales net of Incremental units		165
ISP Sales		-
FCA - Rs./kWh		6.43
FCA Impact - Rs. Mln		43.5
Life Line		7.0
Prep-EVCs		-
Protec.-upto 300 + Agri		57.0
Units		7.0
February		
Purchases		167
T&D Losses		16.68%
Sales after Losses		139
Sales net of Incremental units		139
ISP Sales		-
FCA - Rs./kWh		1.42
FCA Impact - Rs. Mln		27.9
Life Line		6.3
Prep-EVCs		-
Protec.-upto 300 + Agri		53.5
Units		6.3

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
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ANNEX -VI

Annex-VI (Working of FYA

Description		March	April	May	June	July	August	September	October	November
Purchases		218	314	427	485	539	425	465	383	241
T&D Losses		16.68%	16.68%	16.68%	16.68%	16.31%	16.31%	16.31%	16.31%	16.31%
Sales after Losses		182	262	356	404	451	356	389	320	202
Sales net of Incremental units		182	262	356	404	451	356	389	320	202
ISP Sales		-	-	-	-	-	-	-	-	-
FCA - Rs./kWh		2.34	3.10	3.16	2.40	0.66	0.98	1.38	1.26	0.86
	FCA Impact - Rs. Mln	14.0	30.0	36.0	30.6	54.6	124.5	201.9	157.5	73.5
	Life Line	5.9	9.7	11.4	12.7	12.2	11.1	14.9	15.0	9.6
	Prep-EVCs	-	-	-	-	-	-	-	-	-
	Protec.-upto 300 - Agri	50.0	64.9	78.6	41.1	126.7	115.7	129.0	110.0	75.7
	Units	5.9	9.7	11.4	12.7	118.9	126.8	115.9	125.0	85.4

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ANNEX_VI

Annex-VI (Working of PYA

Description	Units
December	
Purchases	165
T&D Losses	16.31%
Sales after Losses	155
Sales net of Incremental units	152
ISP Sales	2.79
FCA - Rs./kWh	1.18
FCA Impact - Rs. Mln	105.6
Life Line	9.1
Prep-EVCs	-
Protec.-upto 300 - Agri	62.7
Units	71.5
January	
Purchases	191
T&D Losses	16.31%
Sales after Losses	162
Sales net of Incremental units	159
ISP Sales	2.79
FCA - Rs./kWh	2.38
FCA Impact - Rs. Mln	172.5
Life Line	10.1
Prep-EVCs	-
Protec.-upto 300 - Agri	63.5
Units	74.4
February	
Purchases	160
T&D Losses	16.31%
Sales after Losses	134
Sales net of Incremental units	131
ISP Sales	2.54
FCA - Rs./kWh	0.68
FCA Impact - Rs. Mln	44.2
Life Line	6.6
Prep-EVCs	-
Protec.-upto 300 - Agri	56.0
Units	61.6
March	
Purchases	236
T&D Losses	16.31%
Sales after Losses	198
Sales net of Incremental units	198
ISP Sales	-
FCA - Rs./kWh	0.45
FCA Impact - Rs. Mln	5.0
Life Line	10.3
Prep-EVCs	-
Protec.-upto 300 - Agri	64.9
Units	75.3
April	
Purchases	336
T&D Losses	16.31%
Sales after Losses	287
Sales net of Incremental units	282
ISP Sales	-
FCA - Rs./kWh	0.90
FCA Impact - Rs. Mln	14.8
Life Line	16.5
Prep-EVCs	-
Protec.-upto 300 - Agri	125.9
Units	16.5
May	
Purchases	428
T&D Losses	16.31%
Sales after Losses	358
Sales net of Incremental units	355
ISP Sales	-
FCA - Rs./kWh	0.55
FCA Impact - Rs. Mln	9.0
Life Line	16.1
Prep-EVCs	-
Protec.-upto 300 - Agri	157.2
Units	173.5
June	
Purchases	481
T&D Losses	16.31%
Sales after Losses	402
Sales net of Incremental units	402
ISP Sales	-
FCA - Rs./kWh	0.87
FCA Impact - Rs. Mln	11.6
Life Line	15.2
Prep-EVCs	-
Protec.-upto 300 - Agri	144.5
Units	160.2
[illegible]	
July	
Purchases	509
T&D Losses	16.31%
Sales after Losses	426
Sales net of Incremental units	426
ISP Sales	-
FCA - Rs./kWh	1.94
FCA Impact - Rs. Mln	31.0
Life Line	17.9
Prep-EVCs	-
Protec.-upto 300 - Agri	151.9
Units	169.8
August	
Purchases	499
T&D Losses	16.31%
Sales after Losses	418
Sales net of Incremental units	418
ISP Sales	-
FCA - Rs./kWh	0.02
FCA Impact - Rs. Mln	0.8
Life Line	26.5
Prep-EVCs	-
Protec.-upto 300 - Agri	157.9
Units	186.3
September	
Purchases	434
T&D Losses	16.31%
Sales after Losses	367
Sales net of Incremental units	367
ISP Sales	-
FCA - Rs./kWh	0.37
FCA Impact - Rs. Mln	13.5
Life Line	23.8
Prep-EVCs	-
Protec.-upto 300 - Agri	145.1
Units	168.9

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ANNEX_VI

Annex-VI (Working of PYA)

[illegible]	[illegible]	[illegible]
October [illegible]		
Purchases		-
T&D losses		-
Sales after losses		-
Sales net of Incremental units		-
IIP Sales		-
FCA - Rs. kWh		-
FCA Impact - Rs. Mln		-
Life Line		25.0
Prep-EVCs		-
Protected upto 200 - Apr		127.1
Units		25.0
4th Qtr. FY 2022-23 (Oct. 23 to Mar. 24)		
Allowed Amount		6,609
Qtr. Rs./kWh		9.52
Recovered		5,625
Under/(Over) Recovery		984
1st Qtr FY 2023-24 (Jan. Mar. 24)		
Allowed Amount		176
Qtr Rs. kWh		0.35
Recovered		165
Under/(Over) Recovery		11
2nd Qtr. FY 2023-24 (Apr. Jun. 24)		
Allowed Amount		3,263
Qtr. Rs./kWh		3.4539
Recovered		3,113
Under/(Over) Recovery		150
3rd Qtr. FY 2023-24 (Jun. Aug. 24)		
Allowed Amount		1,656
Qtr. Rs./kWh		1.50
Recovered		1,533
Under/(Over) Recovery		123
4th Qtr. FY 2023-24 (Sep. Nov. 24)		
Allowed Amount		3,344
Qtr Rs. kWh		4.44
Recovered		3,465
Under/(Over) Recovery		- [illegible]
1st Qtr. FY 2024-25 (Dec. 24)		
Allowed Amount		- 505
Qtr. Rs./kWh		- 2.70
Recovered		- 530
Under/(Over) Recovery		25
2nd Qtr. FY 2024-25 (Apr. Jun. 25)		
Allowed Amount		- 3,772
Qtr. Rs./kWh		- 3.57
Recovered		- 3,543
Under/(Over) Recovery		- 229
3rd Qtr. FY 2024-25 (May. July. 25)		
Allowed Amount		- 3,507
Qtr. Rs. kWh		- 2.73
Recovered		- 3,327
Under/(Over) Recovery		- 180
[illegible] Negative FCA [illegible]		
March 2024 to September 2025		
Positive FCA Impact to be allowed		14
Negative FCA Impact retained	Rs. Mln	- 75
Net Impact	Rs. Mln	- 61
FCA Impact - Adjusted as PYA	Rs. Mln	- 61
D.M FY 2023-24		
Allowed Amount	Rs. Mln	20,443
Rate. Rs.kWh	Rs./kWh	5.83
Recovered	Rs. Mln	19,324
Under/(Over) Recovery	Rs. Mln	1,120
D.M FY 2024-25		
Allowed Amount	Rs. Mln	17,403
Rate. Rs./kWh	Rs./kWh	5.09
Recovered	Rs. Mln	17,313
Under/(Over) Recovery	Rs. Mln	90
PYA 2023-24		
Allowed Amount	Rs. Mln	6,365
Rate. Rs./kWh	Rs./kWh	1.81
Recovered	Rs. Mln	5,921
Under/(Over) Recovery	Rs. Mln	445
PYA 2024-25		
Allowed Amount	Rs. Mln	3,683
Rate. Rs./kWh	Rs./kWh	1.04
Recovered	Rs. Mln	3,499
Under/(Over) Recovery	Rs. Mln	183
Other Cost related to PYA		
RORB FY 2022-23 True up	Rs. Mln	- 6,025
Depreciation FY 2022-23 True up	Rs. Mln	155
Other Income FY 2022-23 True up	Rs. Mln	131
Previous PYA difference	Rs. Mln	433
Minimum Tax	Rs. Mln	1,129
P.21 Assistance Package	Rs. Mln	
MLR Adjustments - RORB FY 2020-21	Rs. Mln	
MLR Adjustments - RORB FY 2021-22	Rs. Mln	
Payroll Leads [illegible] Financial Reporting	Rs. Mln	
Negative FCA - Previous years 2018-2020 + 2021	Rs. Mln	
UOSC - 3rd Qtr. Posting error	Rs. Mln	
NEPRA Supplier License fee	Rs. Mln	
[illegible] Tax - FY 2025	Rs. Mln	-
Post-retirement benefit	Rs. Mln	
Pay & Allowances	Rs. Mln	
Depreciation True up	Rs. Mln	-
Total		- 4,179
Sales Mix Var.		
FY 2022-23	Rs. Mln	-
FY 2023-24	Rs. Mln	
FY 2024-25	Rs. Mln	
Excess LPS to be adjusted - FY 2024		
LPS Recovered from Consumers	Rs. Mln	
Supplemental charges billed by CPPA	Rs. Mln	
Net	Rs. Mln	-
Excess LPS to be adjusted - FY 2025		
LPS Recovered from Consumers	Rs. Mln	
Supplemental charges billed by CPPA	Rs. Mln	
Net	Rs. Mln	-
Total		-
Adjustment in PYA	Rs. Mln	-
[illegible]	Rs. Mln	- 2,2[illegible]

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
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Matti: 9

ANNEX-VI

Annex-VI (Working of PYA)

[illegible] Description [illegible]	Unit	SEPCO
[illegible] MYT True Up [illegible]		SEPCO
[illegible] FY 2023-24 [illegible]		
Provision for Post Retirement Benefit		
Allowed	Rs. Mln	
Benefit Paid	Rs. Mln	
Transferred to Account	Rs. Mln	
Shortfall in deposit to be deducted/added	Rs. Mln	
Provision for Post Retirement Benefit		
Allowed	Rs. Mln	
Benefit Paid- Provision		
(Shortfall)/ Excess		
Pay & Allowances		
Allowed	Rs. Mln	
Actual	Rs. Mln	
Under/(Over) Recovery	Rs. Mln	-
Depreciation FY 2023-24		
Allowed	Rs. Mln	1,705
Actual	Rs. Mln	1,399
Under/(Over) Recovery	Rs. Mln	307
Depreciation FY 2024-25		
Allowed	Rs. Mln	1,705
Actual	Rs. Mln	1,448
Under/(Over) Recovery	Rs. Mln	257
RoRB (Investment + KIBOR) FY 2023-24		
Allowed	Rs. Mln	10,288
Actual	Rs. Mln	8,673
Under/(Over) Recovery	Rs. Mln	1,615
RoRB (Investment + KIBOR) FY 2024-25		
Allowed	Rs. Mln	6,501
Actual	Rs. Mln	10,158
Under/(Over) Recovery	Rs. Mln	(3,657)
Other Income FY 2023-24		
Allowed	Rs. Mln	[illegible]
Actual	Rs. Mln	[illegible]
Under/(Over) Recovery	Rs. Mln	
Other Income FY 2024-25		
Allowed	Rs. Mln	[illegible]
Actual	Rs. Mln	[illegible]
Under/(Over) Recovery	Rs. Mln	
Total MYT Rec Ups [illegible]	Rs. Mln	1,518
G. Total PYA FY 2024-25 [illegible]	Rs. Mln	- 780

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