



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/TRF-126/GEPCO-2009/1100-1102

December 9, 2009

Subject: **First Quarterly Determination Based on the FY 2009-10 Determined under NEPRA (Tariff Standards and Procedure) Rules, 1998 for Gujranwala Electric Power Company Ltd. [Case # NEPRA/TRF-126/GEPCO-2009]**
Intimation of Determination of Tariff pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997)

Dear Sir,

Please find enclosed the subject Determination of the Authority along with Annexure-I, II, III, IV & V (42 pages) in Case No. NEPRA/TRF-126/GEPCO-2009.

2. The Determination is being intimated to the Federal Government for the purpose of notification of the approved tariff in the official gazette pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997) and Rule 16(11) of the National Electric Power Regulatory Authority Tariff (Standards and Procedure) Rules, 1998.

3. Please note that only Order of the Authority at para 24 of the Determination along with Annexure-I Fuel Price Adjustment Mechanism, Annex-III Schedule of Electricity Tariff, Annex-IV GpGenE, CpGenCap & USCF and Annex-V Terms and Conditions needs to be notified in the official gazette. The Order is reproduced for the purpose of clarity and is attached herewith.

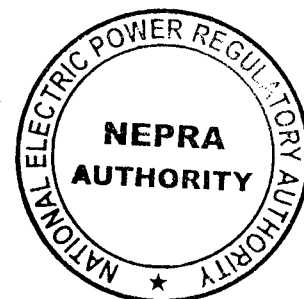
Enclosure: As above

The Secretary
Cabinet Division
Government of Pakistan
Cabinet Secretariat
Islamabad

CC:

1. Secretary, Ministry of Water & Power, Islamabad.
2. Secretary, Ministry of Finance, Islamabad.


Registrar



ORDER OF THE AUTHORITY
IN CASE NO. NEPRA/TRF-126/GEPCO-2009
TO BE NOTIFIED IN THE OFFICIAL GAZETTE

- I. Gujranwala Electric Power Company (GEPCO) is allowed to charge its consumers' such tariff as set out in the schedule of tariff for GEPCO as per Annex-III.
- II. The actual variation in fuel cost component of power purchase price against the reference fuel cost component shall be adjusted on monthly basis without taking into account the T&D losses. The monthly fuel price adjustment shall be based on the actual information submitted by CPPA. The adjustment shall be determined and notified in the official gazette within five working days of receipt of such information. Adjustment on account of T&D losses, variation in capacity and transmission charges will be considered quarterly.
- III. The terms and conditions related to the schedule of tariff shall be those as attached to this determination as Annex-V.
- IV. GEPCO is allowed to charge the users of its system a use of system charge (UOSC) equal to:
- i) Where only 132 kV system is involved
- $$UOSC = DM \times \frac{(1-L)}{(1-0.01)} \text{ Paisa / kWh}$$
- ii) Where only 11 kV distribution systems is involved.
- $$UOSC = DM \times \frac{(1-L)}{(1-0.05)} \text{ Paisa / kWh}$$
- iii) Where both 132 kV and 11 kV distribution systems are involved.
- $$UOSC = DM \times \frac{(1-L)}{(1-0.06)} \text{ Paisa / kWh}$$

Where:

Distribution Margin for FY 2009-10 is set at Paisa 0.7260/kWh. 'L' will be the overall percentage loss assessment for the year set at 10.5% or FY 2009-10.



FUEL PRICE ADJUSTMENT MECHANISM

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

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

Where:

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

Actual fuel cost component is the fuel cost component in the pool price on which the DISCOs will be charged by CPPA in a particular month; and

Reference fuel cost component is the fuel cost component for the corresponding month projected for the purpose of tariff determination as per Annex-IV of the determination;

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

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SCHEDULE OF ELECTRICITY TARIFFS FOR GUJRANWALA ELECTRIC POWER COMPANY (GEPCO)

A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED	VARIABLE CHARGES	
		CHARGES Rs/kW/M	Rs/kWh	
a)	For Sanctioned load up to 5 kW			
i	Up to 50 Units	-		2.00
	For Consumption exceeding 50 Units			
ii	001 - 100 Units	-		8.00
iii	101 - 300 Units	-		10.00
iv	301 - 700 Units	-		12.00
v	Above 700 Units	-		14.00
b)	For Sanctioned load exceeding 5 kW			
	Time Of Use	-	Peak	Off-Peak
			13.00	7.50

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

a) Single Phase Connections:

Rs. 75/- per consumer per month

b) Three Phase Connections:

Rs. 150/- per consumer per month

A-2 GENERAL SUPPLY TARIFF - COMMERCIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED	VARIABLE CHARGES	
		CHARGES Rs/kW/M	Rs/kWh	
a)	For Sanctioned load up to 5 kW			14.00
b)	For Sanctioned load exceeding 5 kW	400.00		11.50
			Peak	Off-Peak
c)	Time Of Use	400.00	13.00	7.00

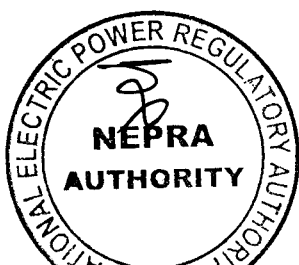
Under this tariff, there shall be minimum monthly charges at the following rates even if no energy is consumed.

a) Single Phase Connections;

Rs. 175/- per consumer per month

b) Three Phase Connections:

Rs. 350/- per consumer per month



SCHEDULE OF ELECTRICITY TARIFFS FOR GUJRANWALA ELECTRIC POWER COMPANY (GERCO)

B. INDUSTRIAL SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
B1	Up To 5 kW (at 400/230 Volts)	-	10.00	
B2(a)	6-500 kW (at 400 Volts)	400.00	9.00	
	Time Of Use		Peak	Off-Peak
B2(b)	6-500 kW (at 400 Volts)	400.00	13.00	7.00
B3	For All Loads up to 5000 kW (at 11,33 kV)	380.00	12.90	6.90
B4	For All Loads (at 66,132 kV & above)	360.00	12.80	6.80

For B1 consumers there shall be a fixed minimum charge of Rs. 350 per month.

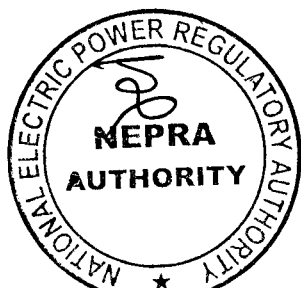
For B2 consumers there shall be a fixed minimum charge of Rs. 2,000 per month.

For B3 consumers there shall be a fixed minimum charge of Rs. 50,000 per month.

For B4 consumers there shall be a fixed minimum charge of Rs. 500,000 per month.

C. SINGLE POINT SUPPLY FOR PURCHASE IN BULK BY A DISTRIBUTION LICENSEE AND MIXED LOAD CONSUMERS NOT FALLING IN ANY OTHER CONSUMER CLASS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
C -1	For supply at 400/230 Volts			
a)	Sanctioned load up to 5 kW	-	10.50	
b)	Sanctioned load above 5 kW & up to 500	400.00	9.50	
C -2(a)	For supply at 11,33 kV up to and including 5000 kW	380.00	9.40	
C -3(a)	For supply at 66 kV & above and sanctioned load above 5000 kW	360.00	9.30	
	Time Of Use (Optional)		Peak	Off-Peak
C -1(c)	For supply at 400/230 Volts above 5 kW & up to 500 kW	400.00	13.00	7.00
C -2(b)	For supply at 11,33 kV up to and including 5000 kW	380.00	12.90	6.90
C -3(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	360.00	12.80	6.80



**SCHEDULE OF ELECTRICITY TARIFFS
FOR GUJRANWALA ELECTRIC POWER COMPANY (GEPSCO)
D - AGRICULTURE TARIFFS**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
D-1(a)	SCARP less than 5 kW	-	10.00	
D-2	Agricultural Tube Wells	200.00	6.00	
			Peak	Off-Peak
D-1(b)	SCARP and Agricultural more than 5 kW	200.00	13.00	5.00

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	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
E-1(i)	Residential Supply	-	14.00	
E-1(ii)	Commercial Supply	-	14.00	
E-2	Industrial Supply	-	10.00	

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

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	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
	Street Lighting		13.00	

There shall be a minimum monthly charge of Rs.500/- per month per kW of lamp capacity installed.



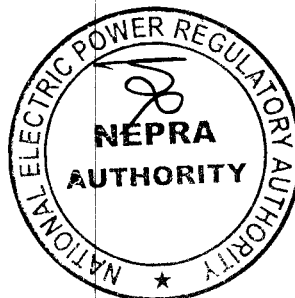
**SCHEDULE OF ELECTRICITY TARIFFS
FOR GUJANWADA ELECTRIC POWER COMPANY (GEPSCO)**

H. RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES
		Rs/kW/M	Rs/kWh
	Residential Colonies attached to industrial premises	-	13.00

K. SPECIAL CONTRACTS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
	Azad Jammu & Kashmir (AJK)	360.00	8.75	
	Time of Use	360.00	Peak	Off-Peak
			13.00	7.00



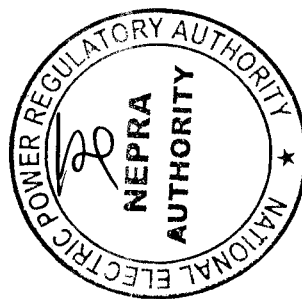
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GEPCO Power Purchase Price

FY 2009-10

Name	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Sold in GWh	665	788.932	798	496	472	383	448	504	607	648	722	786	7,319
	kWh												
CpGenE	4.0886	4.0059	4.3371	4.9342	4.3190	5.8470	6.4477	5.3517	5.7261	5.6548	4.6528	4.2813	4.8534
CpGenCap	1.4722	1.1674	1.1211	1.9120	1.6673	1.8634	2.4063	1.9194	1.9873	1.9576	1.8541	1.8460	1.7155
USCF	0.2624	0.2030	0.1994	0.3110	0.2642	0.2574	0.2396	0.2041	0.2105	0.2115	0.2062	0.2083	0.2267
Total PPP in Rs./kWh	5.8233	5.3762	5.6575	7.1573	6.2504	7.9679	9.0936	7.4751	7.9240	7.8238	6.7131	6.3356	6.7955

	Rs. in Million												
CpGenE	2,719	3,160	3,460	2,445	2,039	2,242	2,889	2,699	3,478	3,662	3,361	3,365	35,521
CpGenCap	979	921	894	948	787	715	1,078	968	1,207	1,268	1,339	1,451	12,555
USCF	174	160	159	154	125	99	107	103	128	137	149	164	1,659
PPP	3,872	4,241	4,514	3,547	2,951	3,056	4,075	3,770	4,813	5,067	4,850	4,980	49,735



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

PART-I

GENERAL DEFINITIONS

The Company, for the purposes of these terms and conditions means Gujranwala Electric Power Company (GEPCO) engaged in the business of distribution of electricity within the territory mentioned in the licence granted to it for this purpose.

1. "Month or Billing Period", unless otherwise defined for any particular tariff category, means a billing month of 30 days or less reckoned from the date of last meter reading.
2. "Minimum Charge", means a charge to recover the costs for providing customer service to consumers even if no energy is consumed during the month.
3. "Fixed Charge" means the part of sale rate in a two-part tariff to be recovered on the basis of "Billing Demand" in kilowatt on monthly basis.
4. "Billing Demand" means the highest of maximum demand recorded in a month except in the case of agriculture tariff D2 where "Billing Demand" shall mean the sanctioned load.
5. "Variable Charge" means the sale rate per kilowatt-hour (kWh) as a single rate or part of a two-part tariff applicable to the actual kWh consumed by the consumer during a billing period.
6. "Maximum Demand" where applicable, means the maximum of the demand obtained in any month measured over successive periods each of 30 minutes duration except in the case of consumption related to Arc Furnaces, where "Maximum Demand" shall mean the maximum of the demand obtained in any month measured over successive periods each of 15 minutes duration.
7. "Sanctioned Load" where applicable means the load in kilowatt as applied for by the consumer and allowed/authorized by the Company for usage by the consumer.
8. "Power Factor" means the ratio of kWh to KVAh recorded during the month or the ratio of kWh to the square root of sum of square of kWh and kVARh.
9. Point of supply means metering point where electricity is delivered to the consumer.
10. Peak and Off Peak hours for the application of Time Of Use (TOU) Tariff shall be the following time periods in a day:

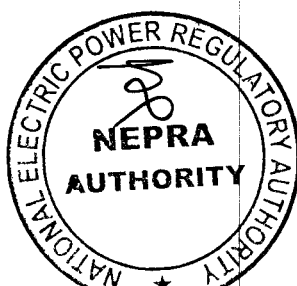
*** PEAK TIMING**

Dec to Feb (inclusive)	5 PM to 9 PM
Mar to May (inclusive)	6 PM to 10 PM
June to Aug (inclusive)	7 PM to 11 PM
Sept to Nov (inclusive)	6 PM to 10 PM

OFF-PEAK TIMING

Remaining 20 hours of the day
-do-
-do-
-do-

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



11. "Supply", means the supply for single-phase/three-phase appliances inclusive of both general and motive loads subject to the conditions that in case of connected or sanctioned load exceeding 4 kW supply shall be given at three-phase.
12. "Consumer" means a person or his successor-in-interest as defined under Section 2(iv) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).
13. "Charitable Institution" means an institution, which works for the general welfare of the public on no profit basis and is registered with the Federal or Provincial Government as such and has been issued tax exemption certificate by Federal Board of Revenue (FBR).
14. NTDC means the National Transmission and Dispatch Company.
15. CPPA means Central Power Purchasing Agency (CPPA).
16. The "Authority" means "The National Electric Power Regulatory Authority (NEPRA)" constituted under the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).

GENERAL CONDITIONS

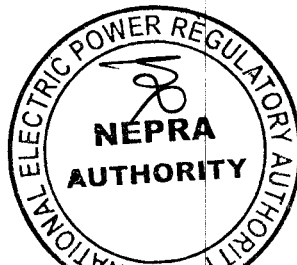
1. "The Company shall render bills to the consumers on a monthly basis or less on the specific request of a consumer for payment by the due date.
2. The Company shall ensure that bills are delivered to consumers at least seven days before the due date. If any bill is not paid by the consumer in full within the due date, a Late Payment Surcharge of 10% (ten percent) shall be levied on the amount billed excluding Govt. tax and duties etc. In case bill is not served at least seven days before the due date then late payment surcharge will be levied after 7th day from the date of delivery of bill.
3. The supply provided to the consumers shall not be available for resale.
4. In the case of two-part tariff average Power Factor of a consumer at the point of supply shall not be less than 90%. In the event of the said Power factor falling below 90%, the consumer shall pay a penalty of two percent increase in the fixed charges determined with reference to maximum demand during the month corresponding to one percent decrease in the power factor below 90%.

PART-II

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

A-1 RESIDENTIAL AND GENERAL SERVICES

1. This Tariff is applicable for supply to;
 - i) Residences,
 - ii) Places of worship,
 - iii) Approved religious and charitable institutions,
 - iv) Government and Semi-Government Offices and institutions,
 - v) Government Hospitals and Dispensaries,
 - vi) Educational institutions.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. A-1 (a) tariff.



3. All new consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangement and shall be billed on the basis of tariff A-1(b) as set out in the Schedule of Tariff.
4. All existing consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangement and converted to A- 1(b) Tariff by the Company no later than June 30, 2010.

A-2 COMMERCIAL

1. This tariff is applicable for supply to commercial offices and commercial establishments such as:

- i) Shops,
 - ii) Hotels and Restaurants,
 - iii) Petrol Pumps and Service Stations,
 - iv) Compressed Natural Gas filling stations,
 - v) Private Hospitals/Clinics/Dispensaries,
 - vi) Places of Entertainment, Cinemas, Theaters, Clubs;
 - vii) Guest Houses/Rest Houses,
 - viii) Office of Lawyers, Solicitors, Law Associates and Consultants etc.
2. Consumers under tariff A-2 having sanctioned load of less than 5 kW shall be billed under a Single-Part kWh rate A-2(a)
 3. All existing consumers under tariff A-2 having sanctioned load 5 kW and above shall be billed on A-2(b) tariff till such time that they are provided T.O.U metering arrangement; thereafter such consumers shall be billed on T.O.U tariff A-2(c).
 4. The existing and prospective consumers having load of 5 kW and above can opt for T.O.U metering arrangement and A-2(c) tariff.
 5. All existing consumers under tariff A-2 shall be provided T.O.U metering arrangement by the Company-and converted to-A-2 (c) Tariff no later than June 30, 2010.
 6. All new connections having load requirement 5 kW and above shall be provided T.O.U meters and shall be billed under tariff A-2(c).

B INDUSTRIAL SUPPLY

Definitions

1. "Industrial Supply" means the supply for bona fide industrial purposes in factories including the supply required for the offices and for normal working of the industry and also for water pumps and tube-wells operating on three phase 400 volts, other than those meant for the irrigation or reclamation of agricultural land.
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) Pultry Farms
 - ii) Fish Hatcheries and Breeding Farms and
 - iii) Software houses

Conditions

An industrial consumer shall have the option, to switch over to seasonal Tariff-F, provided his connection is seasonal in nature as defined under Tariff-F, and he undertakes to abide by the terms and conditions of Tariff-F and pays the difference of security deposit rates



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

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

1. This tariff is applicable for supply to Industries having sanctioned load less than a 5 kW.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate.

B-2 SUPPLY AT 400 VOLTS

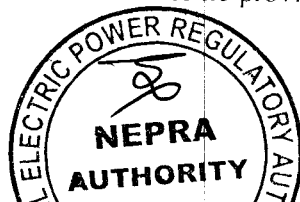
1. This tariff is applicable for supply to Industries having sanctioned load of 5 kW up to and including 500 kW.
2. All existing consumers under tariff B-2 shall be provided T.O.U metering arrangement by the Company and converted to B-2(b) Tariff no later than June 30, 2010.
3. All new applicants i.e. prospective consumers applying for service to the Company shall be provided T.O.U metering arrangement and charged according to the applicable T.O.U tariff.

B-3 SUPPLY AT 11 kV AND 33 kV

1. This tariff is applicable for supply to Industries having sanctioned load of more than 500 kW up to and including 5000 kW and also for Industries having sanctioned load of 500 kW or below who opt for receiving supply at 11 kV or 33 kV.
2. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.
3. The supply under this Tariff shall not be available to a prospective consumer unless he provides, to the satisfaction and approval of the Company, his own Transformer, Circuit Breakers and other necessary equipment as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively pays to the Company for all apparatus and equipment if so provided and installed by the Company. The recovery of the cost of service connection shall be regulated by the NEPRA eligibility criteria.
4. All B-3 Industrial Consumers shall be billed on the basis of T.O.U tariff given in the Schedule of Tariff.

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

1. This tariff is applicable for supply to Industries for all loads of more than 5000 kW receiving supply at 66 kV, 132 kV and above and also for Industries having load of 5000 kW or below who opt to receive supply at 66 kV or 132 kV and above.
2. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.
3. If the Grid Station required for provision of supply falls within the purview of the dedicated system under the NEPRA Eligibility Criteria, the supply under this Tariff shall not be available to such a prospective consumer unless he provides, to the satisfaction and approval



- of the Company, an independent grid station of his own including Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively, pays to the Company for all such Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus if so provided and installed by the Company. The recovery of cost of service connection shall be regulated by NEPRA Eligibility Criteria.
4. All B-4 Industrial Consumers shall be billed on the basis of two-part T.O.U tariff.

C SINGLE POINT (SINGLE-METERING) SUPPLY

“Single-Point Supply” for the purpose of this Tariff, means the supply given at one point:

- i) To a licensee converted from a bulk supply status (who was procuring power from GEPCO as a consumer prior to grant of license to GEPCO) for the purpose of further distribution within its respective exclusive territory and jurisdiction.
- ii) To a mix-load consumer not reselling to any other consumer such as residential, commercial, tube-well and others.

General Conditions

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

C-1 SUPPLY AT 400/230 VOLTS

1. This Tariff is applicable to a consumer having mix-load at a single metering arrangement at 400 volts, having sanctioned load of up to and including 500 kW.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. C-1(a) tariff.
3. All new consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangement and shall be billed on the basis of Time-of-Use (T.O.U) tariff C-1(c) given in the Schedule of Tariff.
4. All the existing consumers governed by this tariff having sanctioned load 5 kW and above shall be provided T.O.U metering arrangements by June 30th 2010.

C-2 SUPPLY AT 11 kV AND 33 kV

1. This tariff is applicable to consumers receiving supply at 11 kV or 33 kV at one-point metering arrangement and having sanctioned load of up to and including 5000 kW.
2. The supply under this Tariff shall not be available to a prospective consumer unless he provides, to the satisfaction and approval of the Company, his own Transformer, Circuit Breakers and other necessary equipment as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively pays to the Company for all apparatus and equipment if so provided and installed by the Company. The recovery of the cost of service connection shall be regulated by the NEPRA eligibility criteria.
3. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff C-2(b) as set out in the Schedule of Tariff.
4. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to C-2(b) by June 30th 2010.

C-3 SUPPLY AT 66 kV AND ABOVE

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



2. If the Grid Station required for provision of supply falls within the purview of the dedicated system under the NEPRA Eligibility Criteria, the supply under this Tariff shall not be available to such a prospective consumer unless he provides, to the satisfaction and approval of the Company, an independent grid station of his own including Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus as part of the dedicated distribution system for receiving and controlling the supply. or, alternatively, pays to the Company for all such Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus if so provided and installed by the Company. The recovery of cost of service connection shall be regulated by NEPRA Eligibility Criteria.
3. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to C-3(b) by June 30, 2010.
4. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff C-3(b) as set out in the Schedule of Tariff.

D AGRICULTURAL SUPPLY

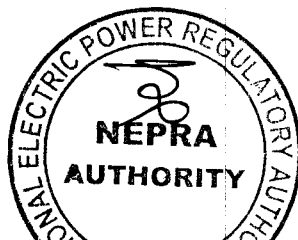
“Agricultural Supply” means the supply for Lift Irrigation Pumps and/or pumps installed on Tube-wells intended solely for irrigation or reclamation of agricultural land or forests, and include supply for lighting of the tube-well chamber.

Special Conditions of Supply

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

D-1 (a)

1. This tariff is applicable to all Reclamation and Drainage Operation pumping under SCARP related installation having sanctioned load of less than 5 kW.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. D-1(a) tariff given in the Schedule of Tariff.



D-1 (b)

1. This tariff is applicable to all Reclamation and Drainage Operation pumping under SCARP related installation and other consumers falling under Agriculture Supply having sanctioned load of 5 kW and above.
2. 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.
3. All the existing consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangements by June 30, 2010 and shall be governed by D-1(a) till that time.

D-2

1. This tariff is applicable to consumers falling under Agriculture Supply having sanctioned load less than 5 kW excluding SCARP related installations.
2. The fixed charges under this Tariff shall be recovered on the basis of sanctioned load in kilowatt as the billing demand and such charges will be applicable even if no energy is consumed during a month.

E -1 TEMPORARY RESIDENTIAL/COMMERCIAL SUPPLY

Temporary Residential/Commercial Supply means a supply given to persons temporarily on special occasions such as ceremonial, religious gatherings, festivals, fairs, marriages and other civil or military functions. This also includes supply to touring cinemas and persons engaged in construction works for all kinds of single phase loads. For connected load exceeding 4 kW, supply may be given at 400 volts (3 phase) to allow a balanced distribution of load on the 3 phases. Normally, temporary connections shall be allowed for a period of 3 months which can be extended on three months basis subject to clearance of outstanding dues.

Special Conditions of Supply

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

E -2 TEMPORARY INDUSTRIAL SUPPLY

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

SPECIAL CONDITIONS OF SUPPLY

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

F SEASONAL INDUSTRIAL SUPPLY

“Seasonal Industry” for the purpose of application of this Tariff, means an industry which works only for part of the year to meet demand for goods or services arising during a



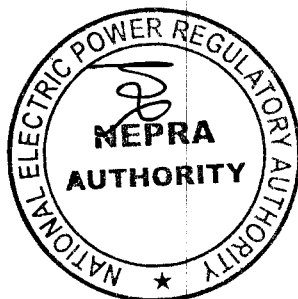
particular season of the year. However, any seasonal industry running in combination with one or more seasonal industries, against one connection, in a manner that the former works in one season while the latter works in the other season (thus running throughout the year) will not be classified as a seasonal industry for the purpose of the application of this Tariff.

Definitions

1. "Year" means any period comprising twelve consecutive months.
2. All "Definitions" and "Special Conditions of Supply" as laid down under the corresponding Industrial Tariffs shall also form part of this Tariff so far as they may be relevant.

Special Conditions of Supply

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



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**NATIONAL ELECTRIC POWER REGULATORY
AUTHORITY**
(NEPRA)

PETITION NO: NEPRA/TRF-126/GEPCO-2009

**FIRST QUARTERLY DETERMINATION BASED ON THE FY 2009-10
DETERMINED UNDER
TARIFF STANDARDS AND PROCEDURE RULES - 1998
FOR
GUJRANWALA ELECTRIC POWER COMPANY
(GEPCO)**

Islamabad

December 29, 2009





PETITIONER

Gujranwala Electric Power Company Limited (GEPCO), 565-A Model Town, G.T. Road, Gujranwala.


INTERVENERS


- All Pakistan Textile Mills Association, 5th Floor Ajmal House, 27-Egerton Road, Lahore through Rashid Law Associates.


REPRESENTATION

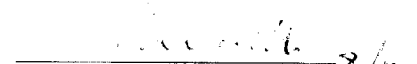
1. Chief Executive Officer, Gujranwala Electric Power Company
2. Representative of Ministry of Water & Power
3. Representative of Central Power Purchasing Agency (CPPA)
4. Representatives of WPPO

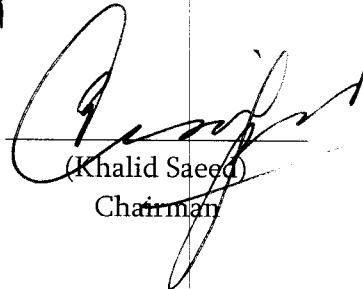
The Authority, in exercise of the powers conferred on it under Section 7(3) (a) read with Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, Tariff Standards and Procedure Rules, 1998 and all other powers enabling it in this behalf, and after taking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

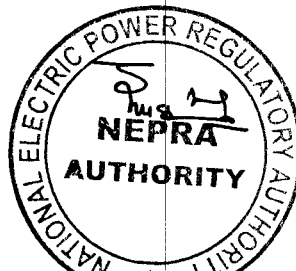

(Shaukat Ali Kundi) 08.12.09
Member


(Maqbool Ahmad Khawaja)
Member


(Zafar Ali Khan) 8/12/09
Member


(Ghiasuddin Ahmed) 8/12
Vice Chairman


(Khalid Saeed)
Chairman





1. Background and Brief History

- 1.1 Gujranwala Electric Power Company Limited (GEPCO) is a Public Limited Company incorporated under Companies Ordinance 1984 As a Distribution Licensee of NEPRA, it is engaged in the business of provision of electricity to the to the consumers residing in the Districts of Gujranwala, Sialkot, Narowal, Gujrat, Mandi Bahauddin, Hafizabad and surrounding suburbs under license No. 02/DL/2002 granted by NEPRA.
- 1.2 GEPCO filed petition for determination of consumer-end tariff for FY 2009-10 on March 27, 2009 for consideration. Notice of admission/ public hearing in the matter was published in major national newspapers on April 24, 2009. The public hearing in this regard was held on May 11, 2009 at NEPRA Main Office Islamabad.
- 1.3 Pursuant to recent amendment in section 31 of the regulation of Generation, Transmission and Distribution of Electric Power Act 1997, through Ordinance dated July 31, 2009, GEPCO filed tariff petition for quarter 1 (Jul 09 – Sep 09) with NEPRA on September 8, 2009 for the determination of consumer-end tariff for the first quarter of FY 2009-10, i.e. Jul-Sep 2009, under Tariff Standards and Procedure Rules 1998. The petition was admitted by the Authority on September 14, 2009. Notice of admission/hearing was published in major national newspapers on September 16, 2009. Letters were sent to all the key stakeholders inviting comments along with evidence, if any, to assist the Authority in arriving at a just and fair decision.

2. Relief Sought

The Petitioner sought the following relief:

- Determination of Consumer-end Tariff
- Approval of the prior year adjustment.

3. Interveners

3.1 APTMA

All Pakistan Textile Mills Association (ATPMA), while contesting the tariff petition was of the view:





- i) That the petition for proposed enhancement in tariff be dismissed in the present form;
- ii) The entire process be redesigned while framing issues involved in this petition and allowing all the parties concerned to lead evidence in support of their claim including the petitioner company, which is under greater responsibility to prove the contents of the petition;
- iii) Unnecessary adoption of procedure of quarterly determination rather than making the determination for the whole year;
- iv) That independent and Private Financial Consultants & Auditors be appointed to make a scrutiny of the petition with reference to the details of numbers provided therein for development of some realistic approach; and
- v) That the standards for determining the rates of return in every respect, whether on investment or assets, be re-framed and re-designed with the aim of providing higher transparency and effectiveness in the determination process.

4. Commentators

4.1 Government of Punjab

- a) A brief look at the proposed tariff indicates a variation from -3.57% to 60% which is very high tariff and may not be economically bearable by the common consumers.
- b) From the 1st slab of domestic tariff structure for lifeline consumers (i.e. Up to 50 Units), it is clear that only a few consumer will get benefit of the tariff slab, GEPCO should seek increase in limit of the 1st tariff slab (i.e. Up to 100 Units) to provide benefit to life line consumers.
- c) By changing of slab pattern at slab-2 i.e. from 1 unit to 100 units, the consumers' tariff is heavily increased. This should be considered for 51 units to 100 units.
- d) Each slab is started from 1 unit to maximum limit, which is not justified. The slab should be fixed in the following manner:
 - 1 to 100 units
 - 101 to 200 units
 - 201 to 300 units



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- e) The increase in each slab is too excessive which will create unrest / hue and cry in the public. This increase in tariff should not be approved.
- f) There is a need to change the tariff for public lighting (G). Presently this tariff is too high like commercial consumers.
- g) The tariff for agriculture/SCARP tube-well should not be increased. It should be uniform for Peak and Off-Peak.
- h) Inefficiency of the DISCO should not be shifted to the consumers.
- i) All over the country there should be uniform tariff.
- j) High tariff rates are one of the main reasons for theft of electricity.

5. Framing of issues

5.1 In terms of rule 9(1) of the Tariff Standards and Procedure Rules, 1998, the Authority decided to hold a hearing and date of hearing was fixed as October 19, 2009.

5.2 The following issues were framed for presenting written or oral arguments on the petition and production of evidence if any:

1. Whether the objections raised by the intervener are justified?
2. Whether the petitioner has complied with the directions of the Authority in the determination for FY 2008-09?
3. Whether tariff methodology and Distribution Margin Formula as suggested by the petitioner is acceptable, if so to what extent?
4. Whether the present monthly fuel price adjustment mechanism requires any change/modification in formula especially in view of quarterly determination as per amendment made in the NEPRA Act?
5. Whether the sales target for the 1st quarter of FY 2009-10 and for the whole year are realistic?
6. Whether the line losses claimed in the petition are justified?
7. Whether the claim of the petitioner for revenue requirement is justified?
8. How the proposed investment for FY 2009-10 is justified and what are the corresponding prospective benefits?
9. Whether the O&M expenses are prudently incurred by the petitioner?



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10. Whether the components of Distribution Margin i.e. Return On Rate Base (RORB), Regulatory Asset Base (RAB), Depreciation, Operation & Maintenance (O&M) and Other Income are worked out in accordance with the acceptable accounting principles?
11. Whether the relief being sought was justified?

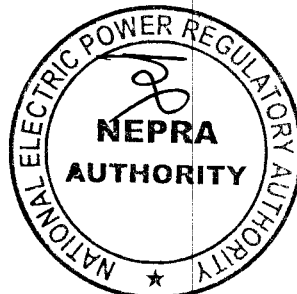
6. HEARING

- 6.1 The hearing of the petition was conducted on October 19, in the Conference Room at NEPRA Headquarters Islamabad. The comments and views expressed by the audience were also heard and considered by the Authority.
 - 6.2 On the basis of pleadings, evidence/record produced and arguments of the parties, issue-wise findings of the Authority is given as under:
- 7. Issue # 1: Whether the objections raised by the intervener are justified?**
- 7.1 On the issue of hearing procedures for the quarterly determinations, para 1.3 above clearly explains that the compliance with the rules was duly ensured. Further, although APTMA filed intervention request but nobody appeared on their behalf during the proceedings. Despite the absence of any representative from APTMA, the issues raised in the intervention request were given due consideration while giving the instant determination so that no prejudice is caused to them.
 - 7.2 APTMA objected on the unnecessary adoption of procedure of quarterly determination rather than making the determination for the whole year. The Authority has decided initially to assess annual revenue requirement of the Company with certain adjustments like impact of losses on consumer end tariff due to monthly adjustments on account of fuel cost variation, change in consumer mix and variation in capacity transfer price on quarterly basis. This would also minimize the volatility in consumer-end tariff. The quarterly adjustment has become necessary in view of the recent amendment in section 31 of the NEPRA Act.
 - 7.3 On the issue of scrutiny of the petition with reference to the detail of numbers provided therein, the Authority considers that this can only be established after a comprehensive study and careful benchmarking. In this regard the Authority has already initiated a process of performance audit in certain



Distribution Companies and based on such audit report; the Authority will be in a better position to establish reasonable benchmarks. Since the exercise will take some time therefore, till such time the Authority is relying on the annual audited accounts of the Distribution Companies which are based on the audit conducted by reputable audit firms. Until and unless it is proved otherwise the Authority accepts the figures indicated in the annual audited accounts.

- 7.4 On the issue of incompetent filing, the Authority while admitting the tariff petition of GEPCO checked all the relevant documents and compliance with rules was duly ensured. Above all, it is also principle of law that decisions should be made on merits and technicalities are to be avoided. The Authority, therefore, is of the view that the petition is competently filed.
- 7.5 On the issue of considering textile sector as a separate category of consumers, in order to make them competitive in international market, the Authority is of the view that no doubt textile sector is the biggest sector among the export oriented industries of Pakistan, yet the other export industries of Pakistan cannot be ignored as they are also consumers of electricity as APTMA is. Thus, the Authority cannot be unjust on local and other export oriented industries by creating a consumer category within existing industrial categories which already caters for the different industries with different load requirements
8. **Issue # 2: Whether the petitioner has complied with the directions of the Authority in the determination for FY 2008-09?**
- 8.1 The company generally complies with the directions of the Authority in the determination for FY 2008-09. Losses of GEPCO remained at 11.03% against the target of 10.72%, showing a variation of 0.3%. The Authority has decided to set the line losses target for FY 2009-10 at 10.5% to bring further efficiency in the system and reduce cost.
- 8.2 The Authority, in its determination for FY 2008-09, has given directions to convert all consumer categories, including residential customers having load requirement of 5 kW and above to TOU metering. All new consumers (residential) having sanctioned load exceeding 5 kW shall be provided TOU metering arrangement with effect from 1st January 2009 and shall be billed on the basis of tariff A-1 (b) as set out in the Schedule of Tariff (SOT). The petitioner claimed that it has complied with the directions of the Authority and started to arrange TOU metering for the consumers having load requirement of 5 kW and above. GEPCO stated that it has already started the arrangement of TOU metering for the consumers having load requirement of 5 kW and above, however it will not be possible for the company to arrange

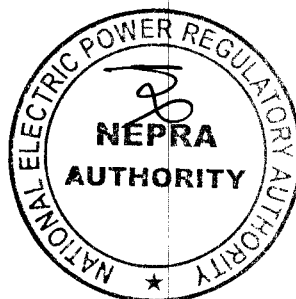


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TOU metering for all consumers having load requirement of 5 kW and above by June 30, 2010. The Authority decided not to extend the target date of June 30, 2010 at this stage and direct GEPCO to make all out efforts to complete the task by that date.

9. **Issue # 3: Whether tariff methodology and Distribution Margin Formula as suggested by the petitioner is acceptable, if so to what extent?**
- 9.1 GEPCO has not suggested any specific tariff methodology and Distribution Margin formula; however, pursuant to the amendment in section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997, through Ordinance dated 31st July, 2009 the following tariff methodology has been used for determination of consumer-end tariff:
- 9.2 **Tariff Methodology for the Quarterly Determination of Consumer-End Tariff Based On the Assessed Revenue Requirement for the Financial Year 2009-10**
- 9.3 The Authority while making the assessment kept in view the DISCOs current operational and financial cycle that covers a complete year, whereby;
- lesser revenue generated in winter is compensated by higher revenue generated in summer of the same financial year;
 - changes in generation mix resulting in lower PPP in wet seasons (with greater hydel generation) compensating higher PPP in winter (with greater generation reliance on RFO);
 - Variation in T&D Losses due to seasonal fluctuation.
- 9.4 In addition to the above the Authority also considered the guidelines under Rule 16 of the Tariff Standards and Procedure Rule 1998 according to which the tariff should be predictable. In order to minimize the volatility in consumer-end tariff the Authority decided initially to assess annual revenue requirement of the Company with certain adjustments like impact of losses on consumer end tariff due to monthly adjustment on account of fuel cost variation, change in consumer mix and variation in capacity transfer price on quarterly basis. The following Methodology for the quarterly determinations has been adopted:
1. Monthly reference values with respect to PPP (including energy, capacity & transmission charges) have been established. The adjustments (monthly/quarterly) will be made on the basis of actual variation against the corresponding reference values.



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2. The adjustments pertaining to the capacity and transmission charges will be made on quarterly basis.
 3. The impact of T&D losses on the Fuel Component of Energy Charge will be accounted for quarterly on the basis of target set by the Authority for the corresponding quarter.
 4. The impact of increase/decrease in sales (from the reference sales units) on the Distribution Margin will be accounted for in the quarterly determinations.
 5. The overall consumer-end tariff will be adjusted keeping in view the GOP policy with respect to Life line and Agricultural consumers categories.
10. **Issue # 4: Whether the present monthly fuel price adjustment mechanism requires any change/modification in formula especially in view of quarterly determination as per amendment made in the NEPRA Act?**

Subsequent to the amendment in the NEPRA Act, the adjustment on account of Power Purchase Price (PPP) is being passed on to the consumers in two stages. The fuel part component of CpGenE (Cp Generation Energy) is determined on monthly basis without taking into account the impact of T&D losses. The monthly adjustment would be directly reflected in the consumer bills as Fuel Surcharge Adjustment. According to the new mechanism, the impact of T&D losses will be taken care of on quarterly basis in addition to variation in PPP on account of CpGenCap (Cp Generation Capacity) and USCF (Use of System Charge Fixed). The Authority feels that no change is required in monthly adjustment mechanism even after the amendment in section 31 of the NEPRA Act.

11. **Issue # 5 & 6: Whether the sales target for the 1st quarter of FY 2009-10 and for the whole year is realistic? Whether the line losses claimed in the petition are justified?**
- 11.1 The petitioner submitted the sales target of 6,082 GWh for FY 2009-10, assuming 0.2% growth over actual sale of 5,957 GWh during FY 2008-09. In the Authority's opinion the target set by the company is on lower side as significant addition in generation facilities is expected during the FY 2009-10. Keeping in view the present availability and expected addition in power generation, the Authority considered that sales target of 6,550 GWh would be reasonable assessment for FY 2009-10.
- 11.2 The Authority observed that the petitioner failed to achieve the T&D loss target of 10.72% and its actual losses for FY 2008-09 remained 11.03%. The



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petitioner requested to fix 11% losses target for the year FY 2009-10. The Authority is cognizant of the fact that the improvement in technical losses requires sustained long-term efforts and GEPCO would need to make regular investments for its strengthening and up-gradation.

11.3 The Authority considers that setting a higher target for line losses than the actual achieved during FY-2008-09 is not justified. The Authority expects that in view of the size of investment during FY-2009-10 to be undertaken by the petitioner, the line losses should be further reduced. The Authority has accordingly fixed target. T&D losses as 10.5% for FY 2009-10. In order to bring in predictability in the consumer-end tariff the quarterly T&D loss target is being maintained at the same level assessed for the whole year.

12. **Issue # 7: Whether the claim of the petitioner for revenue requirement is justified?**

12.1 Annual Revenue Requirement for FY 2009-10 comprises of the following:

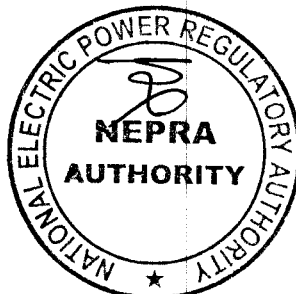
1. Power Purchase Price
2. Impact of T&D Losses
3. Distribution Margin
 - i) O&M Expenses
 - ii) Provisions, Depreciation and Others
4. Prior Year Adjustment

12.2 For the assessment of annual revenue requirement each of the components of average tariff is discussed in detail in the succeeding paragraphs.

12.3 **Power Purchase Price (PPP)**

12.3.1 All the power generated from different sources is procured by the Central Power Purchasing Agency (CPPA) on behalf of DISCOs at the rates as per the Power Purchase Agreements (PPAs). The overall power purchase cost constitutes a pool price which is transferred to the DISCOs according to a mechanism prescribed by the Authority and notified by the Federal Government in its Official Gazette. The Power Purchase Price for FY 2009-10 has been projected, which in turn formulates the reference values for the monthly fuel adjustments & quarterly adjustments with respect to Capacity and Transmission Charges.

12.3.2 In total from all the available sources i.e. hydel, thermal-gas, thermal-oil, nuclear, coal and imports, 90,393 GWh are expected to be generated during the FY 2009-



10. The estimated source wise generation and cost of electricity is given in the following table:

Description	Generation		Energy Charges	
	GWh	Share	Rs. Million	Share
Hydel	27,768	30.7%	10,645	2.5%
Thermal – Gas	26,702	29.5%	87,425	20.3%
Thermal – Oil	32,710	36.2%	316,912	73.7%
Nuclear	1,485	1.6%	757	0.2%
HSD	698	0.8%	8,063	1.9%
Coal	85	0.1%	173	0.1%
Import from Iran	232	0.3%	939	0.2%
Mixed	713	0.8%	5,362	1.2%
Total	90,393	100%	430,276	100%
Capacity Charge			139,075	
Total Generation Cost			569,351	

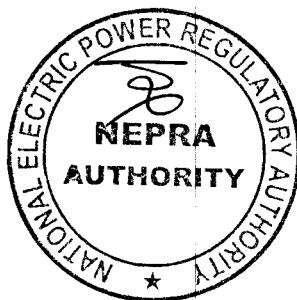
12.3.3 From the above table it is clear that 36.2% of total generation is expected on oil but its share in overall energy cost is to be 73.7%, which means that variation in generation mix and oil prices will have great impact on the cost of generation and will ultimately affect the consumer-end tariff. In addition to above cost of generation, the National Transmission and Dispatch Company (NTDC) is allowed a Transmission Charge (TC) for its operation and maintenance costs and return on its assets. According to the actual invoices raised during the first three months by the CPPA and nine month estimate, the Transmission Cost (TC) for the FY 2009-10 works out as Rs 18,146 million. The generation cost (Energy Charge & Capacity Charge) plus Transmission Charge, is transferred to the DISCOs according to the following Transfer Price Mechanism (TPM) as prescribed by the Authority and notified vide SRO 1130(I)/2008 dated October 30, 2008 in the Official Gazette:

12.3.4 NTDC shall charge the DISCOS incorporating consequent upon the unbundling of WAPDA (termed as XWDISCOs) and KESC, a transfer charge for procuring power from approved generating companies (termed as CPGENCOs) and its delivery to XWDISCOs for a billing period as under:

$$XTC = XCTC + XETC$$

Where:

$$XTC = \text{Transfer charge to XWDISCOS \& KESC}$$



$XCTC = \text{Capacity Transfer Charge to XWDISCOS \& KESC}$

$XETC = \text{Energy Transfer Charge to XWDISCOS \& KESC}$

$XCTC = \frac{CpGenCap + USCF}{XWD}$

Where:

(i) $CPGenCap = \text{the summation of the capacity cost in respect of all CPGencos in Rs for a billing period minus the amount of liquidated damages received during the month.}$

(ii) $XWD = \text{the sum of the maximum demand of the XWDISCOS \& KESC in kW recorded during a billing period at all the delivery metering points at which power is received by the XWDISCOS \& KESC.}$

(iii) $USCF = \text{the fixed charge part of the use of system charges in Rs per kW per month.}$

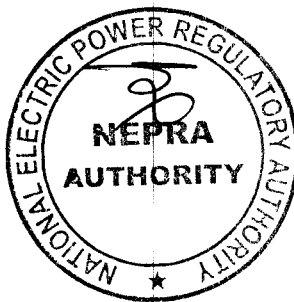
$XETC = \frac{CpGenE (Rs)}{XWUs (kWh)}$

Where:

(i) $CPGenE = \text{the summation of the variable charge rate (Rs per kWh) approved for each of the CPGenCOs times the energy in kWh procured from the respective CPGENCO during the billing period.}$

(ii) $XWUs = \text{the summation of the energy units (kWh) recorded at the delivery metering point of all the XWDISCOS \& KESC during a billing period.}$

12.3.5 The transfer charge is inclusive of the transmission loss charge as the same is rolled in on account of the costs divided on units delivered basis to arrive at the Transfer Charge. Therefore NTDC shall, for the purpose of clarity, intimate to all DISCOS & KESC the generation part of the Transfer Charge during a billing period, by deducting from the Transfer Charge the Transmission Charge or Use of System Charges.



12.3.6 According to the above mechanism Rs. 12,555 million and Rs. 1,659 million is the share of GEPCO on account of CpGenCap and USCF respectively for the FY 2009-10. The overall fixed charges comprising of CpGenCap and USCF in the instant case work out as Rs. 14,214 million, which translates into Rs. 858/kW/month or Rs.1.9422/kWh.

12.3.7 The annual PPP for the FY 2009-10 in the instant case works out as Rs. 49,735 million. This includes actual invoices raised during 3 months by the CPPA and nine months' estimate, taking account of seasonal fluctuations. With the projected unit purchase of 7,319 GWh for the same period the average PPP turns out to be as Rs. 6.7955 / kWh (Annex – IV). On the basis of 10.5% T&D losses, the PPP per kWh has been assessed as Rs.7.5928 /kWh (Rs. 6.7955 divided by (1 – 10.5%)).

12.4 Quarterly Determination

According to the new mechanism, the impact of T&D losses will be taken care of on quarterly basis in addition to variation in PPP on account of CpGenCap and USCF. The Authority has assessed Rs. (495) million quarterly adjustments as per the actual invoices of CPPA on account of the aforementioned reasons on the basis of 10.5% target T&D losses to be recovered in the subsequent quarters. For future adjustments NEPRA's monthly projections for FY 2009-10 on account of CpGenE, CpGenCap and USCF would become reference (as per Annex-IV).

12.5 Prior Year Adjustment

The petitioner submitted that, in addition to above, there was a shortfall its revenue for FY 2008-09 due to delayed notification of tariff, which was beyond GEPCO's control and GEPCO considering the Petitioner's request legitimate and in order to keep the DISCO functioning smoothly, the Authority considers that the adjustment on this account has to be made. For making fair assessment the Authority examined the initialed audited accounts for the FY 2008-09. On the basis of evaluation the Authority considers that the petitioner was unable to recover Rs. 5,221 million through its tariff during FY 2008-09, therefore is being allowed to recover the same (Rs 5,221 million) during FY 2009-10.

12.6 Distribution Margin (DM)

12.6.1 The petitioner requested to allow DM of Rs. 6,402 million for the FY 2009-10, as per the following details:



Description	Rupees in Million.
O&M Cost	4,261
Depreciation	957
RORB	2,349
Provision for Bad Debts	277
Gross DM	7,844
Less: Other Income	1,442
Net DM	6,402

12.6.2 Each component is discussed in detail in the following paragraphs

12.7 Operation and Maintenance (O&M) Cost

O&M cost include the following costs:

- Salaries , wages & benefits
- Maintenance Expenses
- Traveling Expenses
- Vehicle Running Expenses ,and;
- Other Expenses

12.8 Salaries, wages and other benefits

12.8.1 The petitioner requested an amount of Rs. 2,991 million for the FY 2009-10 on account of Salaries, wages & other benefits. This amount also included a provision for Pension Fund. The provision for Pension Fund was based on the Actuarial Study carried out by a firm of Actuaries. In order to make fair assessment of the salaries & wages, the petitioner's initialed audited accounts for the years 2008-09 were analyzed.

12.8.2 During FY 2008-09 the salaries & wages increased by Rs 454 million; indicating an overall increase of about 21.7% over FY 2007-08. The main reason for this increase was increase in the salaries of Govt. employees announced by GoP and bonus pays given to the employees of the company. The GOP announced another increase of 15% to 20% in salaries & wages of GoP employees with effect from July 2009. While determining the cost pertaining to Salaries, wages & other benefits for the FY 2008-09, a thorough bench marking exercise was conducted. Keeping that exercise in view, the Authority has assessed Rs 2,694 million on account of salaries & wages for FY 2009-10.



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12.9 Repair & Maintenance

12.9.1 The Petitioner requested Rs. 636 million for repair and maintenance for the FY 2009-10 based on the provisional figure of Rs. 481 million for the FY 2008-09. The actual cost on this account as per the initialed audited accounts; however, remained 26% less than the estimated amount of provisional figure of Rs. 481 million.

12.9.2 The Authority is cognizant of the fact that the repair & maintenance cost is not only affected by the inflation but also with the variation in the gross assets in operation due to the addition of new consumers in the system and new investments. Having considered the aforementioned reasons, the Authority considers that the estimated amount of Rs. 636 million is considerably high and needs to be rationalized. Based on the past trend and comparison with other DISCOs, the Authority has allowed the repair and maintenance cost of Rs. 372 million for FY 2009-10.

12.10 Traveling Allowance

The Petitioner requested an amount of Rs. 109 million on account of traveling expenses which was based on the provisional figures of FY 2008-09. Based on the accounts of 2007-08 and FY 2008-09 the Authority has allowed the same amount of Rs. 109 million on account of traveling allowance.

12.11 Vehicle Maintenance

The Petitioner requested for Rs. 137 million for FY 2009-10 on account of vehicle maintenance. Keeping in view the past trend the Authority considers that the amount of Rs. 137 million is on the higher side. The petitioner has not substantiated the hike on this account with any working or reason. Keeping in view the aforementioned reasons, the benchmarking exercise carried out by the Authority while determining the base expense of the said cost, past trend and comparison with other DISCOs, the Authority has assessed an amount of Rs. 117 million on account of vehicle maintenance.

12.12 Other/Miscellaneous Expenses

The Petitioner requested Rs. 388 million for FY 2009-10 for expenses like rent, rates & taxes, power, light and water, bills collection charges, postage, telephone, office supplies, insurance expense, overhead expenses, Auditor's remuneration, NEPRA fee and charges, advertisement & publicity, provision of obsolete stores, miscellaneous expenses etc. Based on the actual expenses during FY 2008-09 and



keeping in view the past trend, the Authority has assessed an amount of Rs. 365 million on account of other expenses for FY 2009-10.

12.13 Depreciation

12.13.1 The Petitioner requested Rs. 957 million on account of depreciation for the FY 2009-10 based on the provisional figures of FY 2008-09. In order to make fair assessment the Authority kept in view the past trend of investment made by GEPCO. Having gone through the relevant record of the Petitioner the Authority considers that GEPCO will only be able to spend Rs. 2,862 million during FY 2009-10. The Authority considers that after taking into account new investments, the Gross Fixed Assets in Operation for the FY 2009-10 will be Rs. 24,643 million. Accordingly the depreciation on the gross fixed assets has been assessed as Rs. 771 million.

12.13.2 The Authority has also carefully examined the relevant details and information pertaining to the deferred credit and amortization as provided in the audited accounts for the FY 2007-08 & 2008-09. The Authority on the basis of actual amount of amortization of deferred credit assessed an amount of Rs 335 million for the FY 2009-10, thus passing on the benefit to this extent to the consumers. Accordingly, the Petitioner is allowed a net depreciation of Rs. 436 million (771 – 335).

12.14 Return on Rate Base (RORB)

12.14.1 The petitioner calculated Return on Rate Base (RORB) assuming a Weighted Average Cost of Capital (WACC) of 19% and a regulatory asset base of Rs. 12,363 million in accordance with the following formula:

$$\text{RORB} = \text{Rate Base} \times \text{WACC}$$

Rate Base is calculated as under:

	Mln Rs
Net Fixed Assets (opening)	15,292
Add: New Investments	5,145
Less: Depreciation	957
Less: Deferred Credit	7,117
Add: Working Capital	-
Regulatory Assets Base	12,363

12.14.2 According to Rule 17(3)(iii) of the Tariff Standards and Procedure Rules 1998,



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tariffs should allow a licensee a rate of return which promotes continued reasonable investment in equipment and facilities for improved and efficient service. The Authority considers that for reliable supply of electricity the company has to be made viable for which the company should be allowed comparable return of similar business. In the earlier determination the Rate of Return allowed to the investor was the Weighted Average Cost of Capital (WACC) comprising of two components (i) cost of debt & (ii) cost of equity.

The calculation of WACC was based on the following assumptions:

Asset Beta	0.37
Debt: Equity Ratio	80:20
Tax Rate	35%
Risk Free Rate	9.2%
Market premium	8%
Equity Beta	1.33
Cost of Equity	19.86%
Pre-tax cost of Debt	14.0%

The cost of equity was calculated according to the following formula:

$$\begin{aligned} RE &= RF + (RM - RF) \times \beta \\ &= 9.2\% + (8\% \times 1.33) \\ &= 19.86\% \end{aligned}$$

12.14.3 In the above calculations the asset beta of developed market was used because in the local market no distribution company is listed on the stock market. Since the company is running in loss and has negative equity therefore a notional debt equity ratio of 80:20 was adopted based on the above assumptions. The Weighted Average Cost of Equity is worked out according to the following formula:

$$WACC = \{k_e \times (E / V)\} / (1 - T_c) + \{k_d \times D / V\}$$

Where k_e and k_d are cost of equity and debt; E / V and D / V are equity and debt ratios respectively whereas T_c is the tax rate

$$\begin{aligned} WACC &= \{19.86\% \times (20\%)\} / (1 - 0.35) + \{14.0\% \times 80\% \} \\ &= 17.31\% \end{aligned}$$

12.14.4 In the Authority's opinion the Rate of Return should be reasonable enough, sufficient to assure the confidence in the financial soundness of the utility, and should be adequate to maintain and support its credit and enable it to raise money necessary for the proper discharge of its public service. The Authority



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considers that from the investor or the company point of view it is important that there be enough revenue not only for operating expenses but also for the capital cost of the business. These include service of its debt. The Authority further considers that return to the equity owner should be commensurate with the return on investment of other enterprises having comparable risks. In view of the above, the Authority considers that the previous assessment of 17.31% WACC in the instant case is reasonable as well as comparable with the businesses having similar risks.

12.14.5 Based on the above the Authority has assessed Rs.1,802 million return on rate base as per the following calculations:

Description	Rupees in Million	
	FY 2008-09	FY 2009-10
Opening fixed assets in operation	19,227	22,398
Assets Transferred during the year	3,171	2,245
Closing Fixed Assets in Operation	22,398	24,643
Less: Depreciation	6,724	7,495
Net Fixed Assets in operation	15,674	17,148
+ Capital Work in Progress (Closing)	1,316	1,933
Total Fixed Assets	16,989	19,081
Less: Deferred Credit	6,877	8,377
Total	10,112	10,704
Average Regulatory Assets Base		10,408
Return on Rate Base @ 17.31%		1,802

12.15 Other Income

12.15.1 The petitioner estimated Rs. 1,442 million as other income comprising markup on bank deposits, late payment surcharge, amortization of deferred credit and income from other miscellaneous sources. According to the initialed audited accounts, the other income for FY 2008-09 was Rs. 1,474 million. Based on the information provided and keeping in view the past trend, the Authority has decided to allow Rs 1,474 million on account of other income for FY 2009-10; therefore is accepted as such.

12.15.2 In light of the above, the petitioner's Distribution Margin (DM) for FY 2009-10 has been assessed as per the following details:



Description	Rupees in Million
Operating Cost	3,657
Depreciation	771
RORB	1,802
Total	6,230
Less: Other Income	1,474
DM	4,756

12.15.3 Based on the actual/projected sales of 6,550 GWh for FY 2009-10, the petitioner's DM works out as Rs.0.7260/kWh.

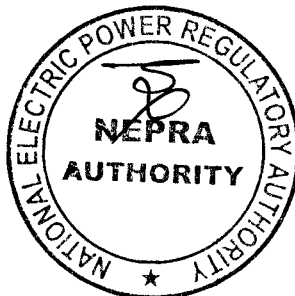
12.16 Summary of Revenue Requirement

For what has been discussed above, the following is the crux of the findings of the Authority:

- Total revenue requirement for the FY 2009-10 has been assessed as under:
 - Power Purchase Price Rs. 49,735 million
 - Distribution Margin Rs. 4,756 million
 - Prior Year Adjustment Rs. 5,221 million
 - **Total Rs. 59,712 million**
- Determined Annual Average Sale Rate of Rs. 9.1159/kWh comprising PPP of Rs. 7.5928/kWh and Distribution Margin of Rs. 0.7260/kWh for FY 2009-10, the impact of prior year adjustment is Rs.0.7971/kWh.
- Based on the above annual assessment, the revenue requirement for the first quarter of the FY 2009-10 works out as Rs 17,876 million. The amount recovered by the petitioner for the same period on the basis of existing rates is Rs 16,232 million, including the impact of monthly PPP adjustment allowed by the Authority. The revenue shortfall of Rs 1,644 million for the quarter ending September 30th, 2009 would be recovered during the next three quarters of FY 2009-10

13. Issue # 8: How the proposed investment for FY 2009-10 is justified and what are the corresponding prospective benefits?

The petitioner in support of its claim stated that it needs continued flow of investment to upkeep and improve the distribution system for smooth and reliable power supply to the customers, Improve power distribution infrastructure



through system augmentation, rehabilitation & expansion; & relieve the power system from distribution bottlenecks & constraints. The present system is old and overloaded and needs huge investment to keep pace with the growing demand of electricity. The new investment will help to reduce line loss, improve system reliability and improve the quality of service. The petitioner requested to allow Rs 5,145 million on account of new investment for FY 2009-10.

The Authority admitted the fact that a continued investment is required in the system to keep it running smoothly and reliably. In order to make fair assessment the Authority kept in view the past trend of investment made by the petitioner. Having gone through the relevant record of the Petitioner the Authority considers that the petitioner will only be able to spend Rs. 2,862 million during FY 2009-10. Therefore the Authority has allowed Rs 2,862 million for FY 2009-10 on account of investment program.

14. Issue # 9: Whether the O&M expenses are prudently incurred by the petitioner?

The issues have been addressed while discussing issue # 7. The Authority has not allowed the petitioner's requested amounts but has allowed only prudent costs.

15. Issue # 10: Whether the components of Distribution Margin i.e. Return On Rate Base (RORB), Regulatory Asset Base (RAB), Depreciation, Operation & Maintenance (O&M) and Other Income are worked out in accordance with the acceptable accounting principles?

The issues have been addressed while discussing issue # 7. The Authority has not allowed the petitioner's requested amounts but has allowed only prudent costs.

16. Issue # 11: Relief

Net Revenue Requirement for FY 2009-10 after adjusting Quarter – I Revenue:

○ Annual Revenue Requirement	Rs. 59,712 million
○ Less: Impact of Quarterly PPP Adj.	Rs. 495 million
○ Less: Revenue earned in quarter – I	<u>Rs. 16,232 million</u>
○ Net Revenue Requirement	Rs. 42,985 million

- Average Sale Rate of FY 2009-10 (Nine months) Rs. 9.4784/kWh.



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- Assessed Transmission & Distribution Losses are 10.50% (comprising 1% for 132 kV & 9.5% for voltage below 132 kV) for FY 2009-10.

17. Consumer-end Tariff

- 17.1 In order to ensure the recovery of the assessed revenue requirement the consumer-end rates have been revised after adjusting the impact of PPP adjustment. The revised Schedule of Tariff is at Annex-III. The Authority while determining the consumer-end tariff kept in view the economic and social policy objectives of the Federal Government. In this regard the rate of low income group with inadequate purchasing power (life line consumers) is not being changed significantly.
- 17.2 The Authority is cognizant of the fact that the Tariff Standards and Procedure rules provided that the tariff for each category of consumers should be in accordance with the cost of service for that category but due to the fact that the element of cross-subsidy was built-in in the inherited tariff structure, which has made distortions in the tariff structure. With the passage of time the Authority has tried to minimize the element of cross-subsidy from the tariff of different categories which although have not completely eliminated but reduced to a great extent. The elimination of complete cross-subsidy at present is not possible because it will have great socio economic impact. Therefore, the Authority has decided to minimize the impact of cross-subsidy between the different categories of consumers. In view, thereof, the Authority has decided as follows:

18. Residential

- 18.1 The existing level of tariff of Rs. 1.60/kWh for the life-line consumers is being increased to Rs 2.00/kWh. These consumers will be cross-subsidized to the extent of Rs. 7.48/kWh. The amount of cross-subsidy has been calculated with reference to the overall average sale rate.
- 18.2 The tariff of consumers having consumption of more than 50 units and up to 100 units has been increased from Rs 3.86/ kWh to Rs. 8.00/kWh, giving an increase of Rs 4.14/ kWh. The Authority is cognizant of the fact that this increase in tariff would affect the already burdened class but in view of abnormal increase in the generation cost due to more reliance on RFO based generation, this increase is inevitable. Since the consumption in the lower slabs is about 40% (20% 1-100 units and 20% 101-300 units) of the overall consumption, therefore, increasing much rate of the consumers already cross-subsiding would be unfair. This category is still cross-subsidized to the extent of Rs. 1.48/kWh.



- 18.3 The consumers having consumption of more than 100 units and up to 300 units will be charged at a rate of Rs.10.00/kWh, This has provided an increase of Rs 3.80/ kWh over the last assessed rate for the same category. As the slab benefit will now be available therefore the effective billing impact for this category of consumers will be less.
- 18.4 The consumers having consumption of more than 300 units but less than 700 units put extra burden on the system due to which marginal cost of generation increases significantly. In view thereof the Authority has determined Rs. 12.00/kWh tariff for this category, an increase of Rs 2.15/ kWh over the last determined rate.
- 18.5 In the case of residential consumers having consumption of more than 700 units the most costly thermal plants have to be operated in order to meet the requirements of these consumers; therefore, their rate should recover not only the cost of electricity during off-peak hours but also the proportional share of marginal cost of more expensive thermal power generation in addition to some cross-subsidy to share the burden of low income residential consumers. Accordingly, their tariff has been fixed at Rs 14.0/kWh, increased from Rs 11.25/kWh.

19. Commercial Rate

19.1 Commercial Rate -A2 (for load requirement up to 5kW)

The tariff for this category has increased from Rs 12.50/ kWh to Rs 14.00/ kWh, thus giving an increase of Rs 1.50/kWh.

19.2 Commercial Rate - A-2(b) Regular (Two-part)

The consumers having peak load requirement more than 5kW have the option of regular two-part tariff or Time of Use (TOU) Tariff. The Authority gave this option to reduce the peak and avoid costly generation. The Authority has given the target date of June 30, 2010 for conversion of existing consumers having peak-load requirement of 5kW and above to TOU metering; thereafter the regular two-part tariff shall cease to exist.

The rate of this category has increased from Rs 9.00/ kWh variable and Rs 315.0/kW/M fixed to Rs 11.50/ kWh variable and Rs 400/kW/M respectively.





19.3 Commercial - A-2(c) Time of Use

Due to the expected induction of additional generation capacity in the system and the capacity cost is also expected to increase; therefore the Authority has decided to pass some of its impact to the consumers.

In the light of above the Authority has decided to increase fixed charge to Rs 400/kW/Month and variable charge for Peak as Rs. 13.00/kWh and for Off Peak Rs 7.00/ kWh for FY 2009-10. The previous rates in this category were fixed Rs 315/kW/M and Variable Peak Rs 12.00/kWh & Off Peak Rs 6.75/kW.

In order to bring harmony in the fixed charges the Authority has decided to maintain the same level of fixed charges among all the Distribution companies. Therefore, the difference of amount on account of fixed charges according to the cost of service and the rate assessed has been factored in the variable charge.

20. Industrial Rate

20.1 Industrial Consumers having Peak-Load Requirement upto 5kW (B-1)

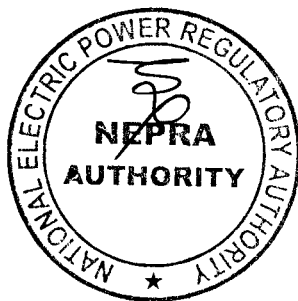
Based on the cost of service analysis and keeping in view the rationale while setting the consumer-end tariff, the Authority has fixed Rs. 10.00 /kWh for the FY 2009-10, for the said category, thus has been increased it from Rs 8.65/ kWh.

20.2 Industrial Consumers Peak-Load Requirement – 5 to 500 kW (at 400 Volts) B-2

Based on the cost of service and keeping in view the rationale while setting the consumer-end tariff, the Authority has increased the fixed charges to Rs.400/kW/Month, due to the reasons mentioned at para 19.3 above, and variable charge to Rs 9.00/kWh for FY 2009-10 for the said category.

20.3 Time of Use (T.O.U) Rate for B-2 Industrial Consumer Category

Due to the reasons mentioned at para 19.3 above, the Authority has decided to increase the fixed charges to Rs 400/kW/Month and variable charge for Peak to Rs. 13.00/kWh and for Off Peak to Rs 7.00/ kWh for FY 2009-10. The previous corresponding rates in this category were Rs 315/kW/M and Rs 12.00/kWh & Rs 6.75/kWh respectively.



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20.4 Industrial Consumers B-3 For All Loads up to 5000 kW (at 11, 33 kV)

While setting the tariff of this category the Authority has kept in view the effect of line losses and investment and therefore decided to increase the fixed charge to Rs 380/kW/Month and variable charge for Peak to Rs. 12.90/kWh and for Off Peak to Rs 6.90/ kWh for FY 2009-10. The previous corresponding rates in this category were Rs 305/kW/M and Rs 11.90/kWh & Rs 6.65/kWh respectively.

20.5 Industrial Consumer B-4 for All Loads (at 66,132 kV & above)

For B-4 category of consumers the Authority has taken into consideration the impact of line losses relating to this voltage level and decided to set the fixed charges to Rs 360/kW/Month and variable charge for Peak to Rs. 12.80/kWh and for Off Peak to Rs 6.80/ kWh for FY 2009-10. The previous corresponding rates in this category were Rs 295/kW/M, Rs 11.80/kWh & Rs 6.55/kWh respectively.

21. Single-Point Supply

The rates for this consumer category are also fixed on the same line as for the industrial consumer category.

21.1 Single Point Supply C-1(a) at 400 volts- upto 5 kW load

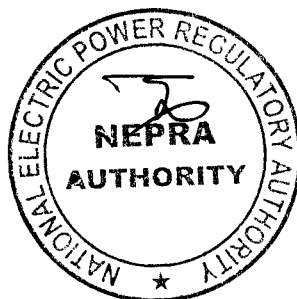
Based on the cost of service analysis and keeping in view the rationale while setting the consumer-end tariff, the Authority has fixed tariff of Rs. 10.50/kWh for the said category, thus increased from Rs 9.25/ kWh.

21.2 Single Point Supply C-1(b) at 400 volts- exceeding 5 kW load (Regular)

The Authority has decided to increase the fixed charges to Rs 400/kW/Month, due to the reasons mentioned at para 19.3 above and variable charge Rs 9.50/kWh for FY 2009-10. The previous corresponding rates in this category were Rs 315/kW/M and Rs 7.75/kWh respectively.

21.3 Single Point Supply C-1(b) at 400 volts- exceeding 5 kW load (TOU)

The Authority has decided to increase the fixed charges to the tune of Rs 400/kW/Month and variable charge for Peak as Rs. 13.00/kWh and for Off Peak as Rs 7.00/ kWh for FY 2009-10. The previous corresponding rates in this category were Rs 315/kW/M, Rs 12.00/kWh & Rs 6.75/kWh respectively.



21.4 Single Point Supply C-2 at 11 kV (Regular)

While setting the tariff of this category the Authority has kept in view the effect of line losses and investment. Accordingly the fixed and variable charge for this category are determined as Rs 380/kW/Month and Rs 9.40/kWh respectively, less than the C-1 category. The previous rates in this category were Rs 305/kW/M and Rs 7.65/kWh respectively.

21.5 Single Point Supply C-2 at 11 kV (TOU)

On the same principle as discussed in Para 21.4 the fixed and variable (peak, Off-peak) charges for this consumer category are determined Rs 380/kW/Month, Rs. 12.90/kWh and Rs 6.90/ kWh respectively. The previous corresponding rates in this category were Rs 305/kW/M, Rs 11.90/kWh & Rs 6.65/kWh respectively.

21.6 Single Point Supply C-3 above 11 kV (Regular)

On the same principle as discussed in Para 21.4 the fixed and variable charges for this consumer category are determined as Rs 360/kW/Month and Rs 9.30/kWh respectively. The previous corresponding rates in this category were Rs 295/kW/M and Rs 7.55/kWh respectively.

21.7 Single Point Supply C-3 above 11 kV (TOU)

On the same principle as discussed in Para 21.4 the fixed and variable (peak, Off-peak) charges for this consumer category are determined as Rs 360/kW/Month, Rs. 12.80/kWh and Rs 6.80/ kWh respectively. The previous corresponding rates in this category were Rs 295/kW/M, Rs 11.80/kWh & Rs 6.55/kWh respectively.

22. Agricultural Consumers

While recognizing the importance of agriculture sector in an economy, the existing tariffs of the said category do not reflect the current cost of generation. Considering the existing cost of generation, the Authority feels that the entire burden of additional cost cannot be passed on to the industrial, commercial and residential consumers only. Some burden has to be born by agriculture sector as well. Accordingly the Authority has decided to increase D-1 Scrap category rate to Rs 10.00/kWh. D-2 (Regular) rate is determined as Rs 6.00/kWh, whereby previously determined fixed charges have been increased to the extent of Rs 200/kW/Month. The TOU rate for agricultural sector for FY 2009-10 will be Rs.



5.00/kWh for off-peak and Rs. 13.00/kWh for peak hours with Rs 200/kW/Month fixed charges.

23. The Authority decided the following:

- The residential consumers will be given the benefits of earlier slab.
- All the consumers under category B-2 shall be provided TOU metering arrangement by June 30, 2010, after this date B-2 regular tariff shall cease to exist.

24. ORDER

- I. Gujranwala Electric Power Company (GEPCO) is allowed to charge its consumers' such tariff as set out in the schedule of tariff for GEPCO as per Annex-III.
- II. The actual variation in fuel cost component of power purchase price against the reference fuel cost component shall be adjusted on monthly basis without taking into account the T&D losses. The monthly fuel price adjustment shall be based on the actual information submitted by CPPA. The adjustment shall be determined and notified in the official gazette within five working days of receipt of such information. Adjustment on account of T&D losses, variation in capacity and transmission charges will be considered quarterly.
- III. The terms and conditions related to the schedule of tariff shall be those as attached to this determination as Annex-V.
- IV. GEPCO is allowed to charge the users of its system a use of system charge (UOSC) equal to:

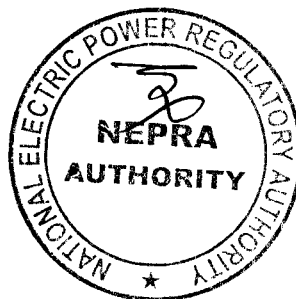
- i) Where only 132 kV system is involved

$$UOSC = DM \times \frac{(1-L)}{(1-0.01)} \text{ Paisa / kWh}$$

- ii) Where only 11 kV distribution systems is involved.

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

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



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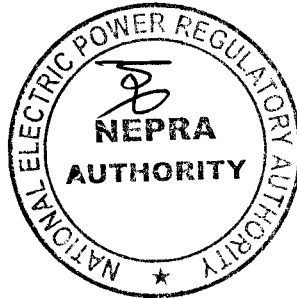
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$$UOSC = DM \times \frac{(1-L)}{(1-0.06)} \text{ Paisa / kWh}$$

Where:

Distribution Margin for FY 2009-10 is set at Paisa 0.7260/kWh. 'L' will be the overall percentage loss assessment for the year set at 10.5% or FY 2009-10.

- V. The Fuel Price Adjustment Mechanism Annex-I, Schedule of Tariff at Annex-III, CpGenE, CpGenCap and USCF Annex-IV and Terms and Conditions at Annex-V related to the tariff be sent to the Federal Government for notification in the official gazette under Section 31(4) of the Act.



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FUEL PRICE ADJUSTMENT MECHANISM

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

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

Where:

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

Actual fuel cost component is the fuel cost component in the pool price on which the DISCOs will be charged by CPPA in a particular month; and

Reference fuel cost component is the fuel cost component for the corresponding month projected for the purpose of tariff determination as per Annex-IV of the determination;

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



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Gujranwala Electric Power Company (GEPCO)
Estimated Sale Revenue on the Basis of New Tariff for FY 2009-10 (Qrt-I)

Description	Sales	Sales Mix	New Tariff (NEPRA)		Revenue (as per NEPRA)		
			Fixed Charge	Variable Charge	Fixed Charge	Variable Charge	Total
	(MkWh)	(%)	(Rs/kW/M)	(Rs/kWh)	(Mln Rs)	(Mln Rs)	(Mln Rs)
Residential							
Up to 50 Units	135	2.97%		2.00	-	270	270
For peak load requirement up to 5 kW							
001 - 100 Units	1,136	25.06%		8.00	-	9,091	9,091
101 - 300 Units	966	21.30%		10.00	-	9,661	9,661
301 - 700 Units	227	5.00%		12.00	-	2,721	2,721
Above 700 Units	146	3.22%		14.00	-	2,041	2,041
For peak load requirement exceeding 5 kW							
Time of Use (TOU) - Peak				13.00			
Time of Use (TOU) - Off-Peak	0	0.00%		7.50		0	0
Total Residential	2,610	57.55%			-	23,784	23,784
Commercial - A2							
For peak load requirement up to 5 kW	222	4.89%		14.00	-	3,106	3,106
For peak load requirement exceeding 5 kW							
Regular	74	1.64%	400.00	11.50	122	856	977
Time of Use (TOU) - Peak				13.00			
Time of Use (TOU) - Off-Peak			400.00	7.00			
Total Commercial	296	6.53%			122	3,962	4,083
Industrial							
B1	320	7.05%		10.00	-	3,196	3,196
B2	303	6.69%	400.00	9.00	550	2,731	3,281
B2 - TOU (Peak)	0	0.01%		13.00	-	6	6
B2 - TOU (Off-peak)	5	0.12%	400.00	7.00	11	37	48
B3 - TOU (Peak)	46	1.01%		12.90	-	591	591
B3 - TOU (Off-peak)	512	11.28%	380.00	6.90	517	3,530	4,047
B4 - TOU (Peak)				12.80			
B4 - TOU (Off-peak)			360.00	6.80			
Total Industrial	1,186	26.15%			1,077	10,090	11,167
Single Point Supply for further distribution							
C1(a) Supply at 400 Volts - up to 5 kW	0	0.01%		10.50	-	5	5
C1(b) Supply at 400 Volts -exceeding 5 kW	6	0.14%	400.00	9.50	10	60	69
Time of Use (TOU) - Peak				13.00			
Time of Use (TOU) - Off-Peak			400.00	7.00			
C2 Supply at 11 kV	79	1.75%	380.00	9.40	80	745	825
Time of Use (TOU) - Peak				12.90			
Time of Use (TOU) - Off-Peak			380.00	6.90			
C3 Supply above 11 kV			360.00	9.30			
Time of Use (TOU) - Peak				12.80			
Time of Use (TOU) - Off-Peak			360.00	6.80			
Total Single Point Supply	86	1.90%			89	810	899
Agricultural Tube-wells - Tariff D							
D1 Scarp	26	0.57%		10.00	-	260	260
D2 Agricultural Tube-wells	127	2.81%	200.00	6.00	202	764	966
Time of Use (TOU) - Peak	25	0.55%		13.00		326	326
Time of Use (TOU) - Off-Peak	67	1.49%	200.00	5.00	74	337	411
Total Agricultural	246	5.42%			276	1,687	1,963
Public Lighting - Tariff G	6	0.14%		13.00	-	84	84
Tariff H - Residential Colonies attached to industries	1	0.02%		13.00	-	13	13
Special contracts - Tariff K (AJK)	104	2.29%	360.00	8.75	84	908	991
Time of Use (TOU) - Peak				13.00			
Time of Use (TOU) - Off-Peak			360.00	7.00			
Total Revenue	4,535	100%			1,648	41,338	42,985



SCHEDULE OF ELECTRICITY TARIFFS FOR GUJRANWALA ELECTRIC POWER COMPANY (GEPCO)

A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED	VARIABLE CHARGES	
		CHARGES Rs/kW/M	Rs/kWh	
a)	For Sanctioned load up to 5 kW			
i	Up to 50 Units	-		2.00
	For Consumption exceeding 50 Units			
ii	001 - 100 Units	-		8.00
iii	101 - 300 Units	-		10.00
iv	301 - 700 Units	-		12.00
v	Above 700 Units	-		14.00
b)	For Sanctioned load exceeding 5 kW			
			Peak	Off-Peak
	Time Of Use	-	13.00	7.50

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

a) Single Phase Connections:

Rs. 75/- per consumer per month

b) Three Phase Connections:

Rs. 150/- per consumer per month

A-2 GENERAL SUPPLY TARIFF - COMMERCIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED	VARIABLE CHARGES	
		CHARGES Rs/kW/M	Rs/kWh	
a)	For Sanctioned load up to 5 kW			14.00
b)	For Sanctioned load exceeding 5 kW	400.00		11.50
			Peak	Off-Peak
c)	Time Of Use	400.00	13.00	7.00

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

a) Single Phase Connections;

Rs. 175/- per consumer per month

b) Three Phase Connections:

Rs. 350/- per consumer per month



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SCHEDULE OF ELECTRICITY TARIFFS FOR GUJRANWALA ELECTRIC POWER COMPANY (GEPCO)

B INDUSTRIAL SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
B1	Up To 5 kW (at 400/230 Volts)	-	10.00	
B2(a)	6-500 kW (at 400 Volts)	400.00	9.00	
	Time Of Use		Peak	Off-Peak
B2(b)	6-500 kW (at 400 Volts)	400.00	13.00	7.00
B3	For All Loads up to 5000 kW (at 11,33 kV)	380.00	12.90	6.90
B4	For All Loads (at 66,132 kV & above)	360.00	12.80	6.80

For B1 consumers there shall be a fixed minimum charge of Rs. 350 per month.

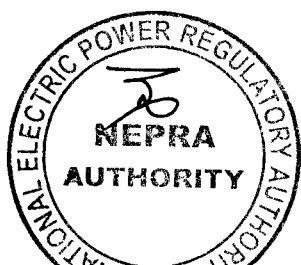
For B2 consumers there shall be a fixed minimum charge of Rs. 2,000 per month.

For B3 consumers there shall be a fixed minimum charge of Rs. 50,000 per month.

For B4 consumers there shall be a fixed minimum charge of Rs. 500,000 per month.

C - SINGLE-POINT SUPPLY FOR PURCHASE IN BULK BY A DISTRIBUTION LICENSEE AND MIXED LOAD CONSUMERS NOT FALLING IN ANY OTHER CONSUMER CLASS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
C - 1	For supply at 400/230 Volts			
a)	Sanctioned load up to 5 kW	-	10.50	
b)	Sanctioned load above 5 kW & up to 500	400.00	9.50	
C - 2(a)	For supply at 11,33 kV up to and including 5000 kW	380.00	9.40	
C - 3(a)	For supply at 66 kV & above and sanctioned load above 5000 kW	360.00	9.30	
	Time Of Use (Optional)		Peak	Off-Peak
C - 1(c)	For supply at 400/230 Volts above 5 kW & up to 500 kW	400.00	13.00	7.00
C - 2(b)	For supply at 11,33 kV up to and including 5000 kW	380.00	12.90	6.90
C - 3(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	360.00	12.80	6.80



**SCHEDULE OF ELECTRICITY TARIFFS
FOR GUJRANWALA ELECTRIC POWER COMPANY (GEPCO)
D - AGRICULTURE TARIFF**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
D-1(a)	SCARP less than 5 kW	-	10.00	
D-2	Agricultural Tube Wells	200.00	6.00	
			Peak	Off-Peak
D-1(b)	SCARP and Agricultural more than 5 kW	200.00	13.00	5.00

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	VARIABLE CHARGES
		Rs/kW/M	Rs/kWh
E-1(i)	Residential Supply	-	14.00
E-1(ii)	Commercial Supply	-	14.00
E-2	Industrial Supply	-	10.00

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

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	VARIABLE CHARGES
		Rs/kW/M	Rs/kWh
	Street Lighting		13.00

There shall be a minimum monthly charge of Rs.500/- per month per kW of lamp capacity installed.



**SCHEDULE OF ELECTRICITY TARIFFS
FOR GUJRANWALA ELECTRIC POWER COMPANY (GEPCO)**

H - RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES
		Rs/kW/M	Rs/kWh
	Residential Colonies attached to industrial premises	-	13.00

K - SPECIAL CONTRACTS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
	Azad Jammu & Kashmir (AJK)	360.00	8.75	
	Time of Use	360.00	Peak	Off-Peak
			13.00	7.00



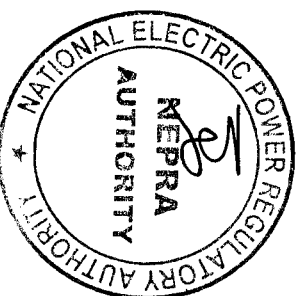
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GEPCO Power Purchase Price

FY 2009-10

Name	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Sold in GWh	665	788,932	798	496	472	383	448	504	607	648	722	786	7,314
kW													
CpGenF	4.0886	4.0059	4.3371	4.9342	4.3190	5.8470	6.4477	5.3517	5.7261	5.6548	4.6528	4.2813	4.853-
CpGenCap	1.4722	1.1674	1.1211	1.9120	1.6673	1.8634	2.4063	1.9194	1.9873	1.9576	1.8541	1.8460	1.7155
USCF	0.2624	0.2030	0.1994	0.3110	0.2642	0.2574	0.2396	0.2041	0.2105	0.2115	0.2062	0.2083	0.2265
Total PPP in Rs./kWh	5.8233	5.3762	5.6575	7.1573	6.2504	7.9679	9.0936	7.4751	7.9240	7.8238	6.7131	6.3356	6.7955

Rs. in Million													
CpGenF	2,719	3,160	3,460	2,445	2,039	2,242	2,889	2,699	3,478	3,662	3,361	3,365	35,527
CpGenCap	979	921	894	948	787	715	1,078	968	1,207	1,268	1,339	1,451	12,555
USCF	174	160	159	154	125	99	107	103	128	137	149	164	1,655
PPP	3,872	4,241	4,514	3,547	2,951	3,056	4,075	3,770	4,813	5,067	4,850	4,980	49,735



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

PART-I

GENERAL DEFINITIONS

The Company, for the purposes of these terms and conditions means Gujranwala Electric Power Company (GEPCO) engaged in the business of distribution of electricity within the territory mentioned in the licence granted to it for this purpose.

1. "Month or Billing Period", unless otherwise defined for any particular tariff category, means a billing month of 30 days or less reckoned from the date of last meter reading.
2. "Minimum Charge", means a charge to recover the costs for providing customer service to consumers even if no energy is consumed during the month.
3. "Fixed Charge" means the part of sale rate in a two-part tariff to be recovered on the basis of "Billing Demand" in kilowatt on monthly basis.
4. "Billing Demand" means the highest of maximum demand recorded in a month except in the case of agriculture tariff D2 where "Billing Demand" shall mean the sanctioned load.
5. "Variable Charge" means the sale rate per kilowatt-hour (kWh) as a single rate or part of a two-part tariff applicable to the actual kWh consumed by the consumer during a billing period.
6. "Maximum Demand" where applicable, means the maximum of the demand obtained in any month measured over successive periods each of 30 minutes duration except in the case of consumption related to Arc Furnaces, where "Maximum Demand" shall mean the maximum of the demand obtained in any month measured over successive periods each of 15 minutes duration.
7. "Sanctioned Load" where applicable means the load in kilowatt as applied for by the consumer and allowed/authorized by the Company for usage by the consumer.
8. "Power Factor" means the ratio of kWh to KVAh recorded during the month or the ratio of kWh to the square root of sum of square of kWh and kVARh.
9. Point of supply means metering point where electricity is delivered to the consumer.
10. Peak and Off Peak hours for the application of Time Of Use (TOU) Tariff shall be the following time periods in a day:

*** PEAK TIMING**

Dec to Feb (inclusive)	5 PM to 9 PM
Mar to May (inclusive)	6 PM to 10 PM
June to Aug (inclusive)	7 PM to 11 PM
Sept to Nov (inclusive)	6 PM to 10 PM

OFF-PEAK TIMING

Remaining 20 hours of the day
-do-
-do-
-do-

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



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11. "Supply", means the supply for single-phase/three-phase appliances inclusive of both general and motive loads subject to the conditions that in case of connected or sanctioned load exceeding 4 kW supply shall be given at three-phase.
12. "Consumer" means a person or his successor-in-interest as defined under Section 2(iv) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).
13. "Charitable Institution" means an institution, which works for the general welfare of the public on no profit basis and is registered with the Federal or Provincial Government as such and has been issued tax exemption certificate by Federal Board of Revenue (FBR).
14. NTDC means the National Transmission and Dispatch Company.
15. CPPA means Central Power Purchasing Agency (CPPA).
16. The "Authority" means "The National Electric Power Regulatory Authority (NEPRA)" constituted under the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).

GENERAL CONDITIONS

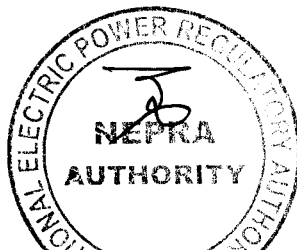
1. "The Company shall render bills to the consumers on a monthly basis or less on the specific request of a consumer for payment by the due date.
2. The Company shall ensure that bills are delivered to consumers at least seven days before the due date. If any bill is not paid by the consumer in full within the due date, a Late Payment Surcharge of 10% (ten percent) shall be levied on the amount billed excluding Govt. tax and duties etc. In case bill is not served at least seven days before the due date then late payment surcharge will be levied after 7th day from the date of delivery of bill.
3. The supply provided to the consumers shall not be available for resale.
4. In the case of two-part tariff average Power Factor of a consumer at the point of supply shall not be less than 90%. In the event of the said Power factor falling below 90%, the consumer shall pay a penalty of two percent increase in the fixed charges determined with reference to maximum demand during the month corresponding to one percent decrease in the power factor below 90%.

PART-II

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

A-1 RESIDENTIAL AND GENERAL SERVICES

1. This Tariff is applicable for supply to;
 - i) Residences,
 - ii) Places of worship,
 - iii) Approved religious and charitable institutions,
 - iv) Government and Semi-Government Offices and institutions,
 - v) Government Hospitals and Dispensaries,
 - vi) Educational institutions.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. A-1 (a) tariff.



3. All new consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangement and shall be billed on the basis of tariff A-1(b) as set out in the Schedule of Tariff.
4. All existing consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangement and converted to A- 1(b) Tariff by the Company no later than June 30, 2010.

A-2 COMMERCIAL

1. This tariff is applicable for supply to commercial offices and commercial establishments such as:

- i) Shops,
- ii) Hotels and Restaurants,
- iii) Petrol Pumps and Service Stations,
- iv) Compressed Natural Gas filling stations,
- v) Private Hospitals/Clinics/Dispensaries,
- vi) Places of Entertainment, Cinemas, Theaters, Clubs;
- vii) Guest Houses/Rest Houses,
- viii) Office of Lawyers, Solicitors, Law Associates and Consultants etc.

2. Consumers under tariff A-2 having sanctioned load of less than 5 kW shall be billed under a Single-Part kWh rate A-2(a)
3. All existing consumers under tariff A-2 having sanctioned load 5 kW and above shall be billed on A-2(b) tariff till such time that they are provided T.O.U metering arrangement; thereafter such consumers shall be billed on T.O.U tariff A-2(c).
4. The existing and prospective consumers having load of 5 kW and above can opt for T.O.U metering arrangement and A-2(c) tariff.
5. All existing consumers under tariff A-2 shall be provided T.O.U metering arrangement by the Company-and converted to-A-2 (c) Tariff no later than June 30, 2010.
6. All new connections having load requirement 5 kW and above shall be provided T.O.U meters and shall be billed under tariff A-2(c).

B INDUSTRIAL SUPPLY

Definitions

1. "Industrial Supply" means the supply for bona fide industrial purposes in factories including the supply required for the offices and for normal working of the industry and also for water pumps and tube-wells operating on three phase 400 volts, other than those meant for the irrigation or reclamation of agricultural land.
2. For the purposes of application of this tariff an "Industry" means a bona fide undertaking or establishment engaged in manufacturing, value addition and/or processing of goods.
3. This Tariff shall also be available for consumers having single-metering arrangement such as;
 - i) Poultry Farms
 - ii) Fish Hatcheries and Breeding Farms and
 - iii) Software houses

Conditions

An industrial consumer shall have the option, to switch over to seasonal Tariff-F, provided his connection is seasonal in nature as defined under Tariff-F, and he undertakes to abide by the terms and conditions of Tariff-F and pays the difference of security deposit rates



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

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

1. This tariff is applicable for supply to Industries having sanctioned load less than a 5 kW.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate.

B-2 SUPPLY AT 400 VOLTS

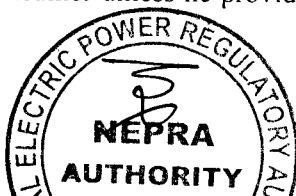
1. This tariff is applicable for supply to Industries having sanctioned load of 5 kW up to and including 500 kW.
2. All existing consumers under tariff B-2 shall be provided T.O.U metering arrangement by the Company and converted to B-2(b) Tariff no later than June 30, 2010.
3. All new applicants i.e. prospective consumers applying for service to the Company shall be provided T.O.U metering arrangement and charged according to the applicable T.O.U tariff.

B-3 SUPPLY AT 11 kV AND 33 kV

1. This tariff is applicable for supply to Industries having sanctioned load of more than 500 kW up to and including 5000 kW and also for Industries having sanctioned load of 500 kW or below who opt for receiving supply at 11 kV or 33 kV.
2. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.
3. The supply under this Tariff shall not be available to a prospective consumer unless he provides, to the satisfaction and approval of the Company, his own Transformer, Circuit Breakers and other necessary equipment as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively pays to the Company for all apparatus and equipment if so provided and installed by the Company. The recovery of the cost of service connection shall be regulated by the NEPRA eligibility criteria.
4. All B-3 Industrial Consumers shall be billed on the basis of T.O.U tariff given in the Schedule of Tariff.

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

1. This tariff is applicable for supply to Industries for all loads of more than 5000 kW receiving supply at 66 kV, 132 kV and above and also for Industries having load of 5000 kW or below who opt to receive supply at 66 kV or 132 kV and above.
2. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.
3. If the Grid Station required for provision of supply falls within the purview of the dedicated system under the NEPRA Eligibility Criteria, the supply under this Tariff shall not be available to such a prospective consumer unless he provides, to the satisfaction and approval



of the Company, an independent grid station of his own including Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively, pays to the Company for all such Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus if so provided and installed by the Company. The recovery of cost of service connection shall be regulated by NEPRA Eligibility Criteria.

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

C SINGLE POINT (SINGLE-METERING) SUPPLY

“Single-Point Supply” for the purpose of this Tariff, means the supply given at one point:

- i) To a licensee converted from a bulk supply status (who was procuring power from GEPCO as a consumer prior to grant of license to GEPCO) for the purpose of further distribution within its respective exclusive territory and jurisdiction.
- ii) To a mix-load consumer not reselling to any other consumer such as residential, commercial, tube-well and others.

General Conditions

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

C-1 SUPPLY AT 400/230 VOLTS

1. This Tariff is applicable to a consumer having mix-load at a single metering arrangement at 400 volts, having sanctioned load of up to and including 500 kW.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. C-1(a) tariff.
3. All new consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangement and shall be billed on the basis of Time-of-Use (T.O.U) tariff C-1(c) given in the Schedule of Tariff.
4. All the existing consumers governed by this tariff having sanctioned load 5 kW and above shall be provided T.O.U metering arrangements by June 30th 2010.

C-2 SUPPLY AT 11 kV AND 33 kV

1. This tariff is applicable to consumers receiving supply at 11 kV or 33 kV at one-point metering arrangement and having sanctioned load of up to and including 5000 kW.
2. The supply under this Tariff shall not be available to a prospective consumer unless he provides, to the satisfaction and approval of the Company, his own Transformer, Circuit Breakers and other necessary equipment as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively pays to the Company for all apparatus and equipment if so provided and installed by the Company. The recovery of the cost of service connection shall be regulated by the NEPRA eligibility criteria.
3. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff C-2(b) as set out in the Schedule of Tariff.
4. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to C-2(b) by June 30th 2010.

C-3 SUPPLY AT 66 kV AND ABOVE

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



2. If the Grid Station required for provision of supply falls within the purview of the dedicated system under the NEPRA Eligibility Criteria, the supply under this Tariff shall not be available to such a prospective consumer unless he provides, to the satisfaction and approval of the Company, an independent grid station of his own including Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively, pays to the Company for all such Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus if so provided and installed by the Company. The recovery of cost of service connection shall be regulated by NEPRA Eligibility Criteria.
3. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to C-3(b) by June 30, 2010.
4. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff C-3(b) as set out in the Schedule of Tariff.

D AGRICULTURAL SUPPLY

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

Special Conditions of Supply

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

D-1 (a)

1. This tariff is applicable to all Reclamation and Drainage Operation pumping under SCARP related installation having sanctioned load of less than 5 kW.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. D-1(a) tariff given in the Schedule of Tariff.



D-1 (b)

1. This tariff is applicable to all Reclamation and Drainage Operation pumping under SCARP related installation and other consumers falling under Agriculture Supply having sanctioned load of 5 kW and above.
2. 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.
3. All the existing consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangements by June 30, 2010 and shall be governed by D-1(a) till that time.

D-2

1. This tariff is applicable to consumers falling under Agriculture Supply having sanctioned load less than 5 kW excluding SCARP related installations.
2. The fixed charges under this Tariff shall be recovered on the basis of sanctioned load in kilowatt as the billing demand and such charges will be applicable even if no energy is consumed during a month.

E -1 TEMPORARY RESIDENTIAL/COMMERCIAL SUPPLY

Temporary Residential/Commercial Supply means a supply given to persons temporarily on special occasions such as ceremonial, religious gatherings, festivals, fairs, marriages and other civil or military functions. This also includes supply to touring cinemas and persons engaged in construction works for all kinds of single phase loads. For connected load exceeding 4 kW, supply may be given at 400 volts (3 phase) to allow a balanced distribution of load on the 3 phases. Normally, temporary connections shall be allowed for a period of 3 months which can be extended on three months basis subject to clearance of outstanding dues.

Special Conditions of Supply

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

E -2 TEMPORARY INDUSTRIAL SUPPLY

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

SPECIAL CONDITIONS OF SUPPLY

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

F SEASONAL INDUSTRIAL SUPPLY

“Seasonal Industry” for the purpose of application of this Tariff, means an industry which works only for part of the year to meet demand for goods or services arising during a



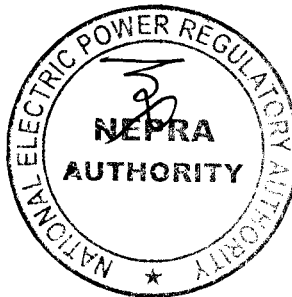
particular season of the year. However, any seasonal industry running in combination with one or more seasonal industries, against one connection, in a manner that the former works in one season while the latter works in the other season (thus running throughout the year) will not be classified as a seasonal industry for the purpose of the application of this Tariff.

Definitions

1. "Year" means any period comprising twelve consecutive months.
2. All "Definitions" and "Special Conditions of Supply" as laid down under the corresponding Industrial Tariffs shall also form part of this Tariff so far as they may be relevant.

Special Conditions of Supply

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



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