



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/TRF-133/KESC-2009/3097-3100
October 15, 2010

Subject: **Decision of the Authority in the matter of Motion for Leave for Review filed by Karachi Electric Supply Company Ltd. - Intimation of Decision of Tariff pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997)**

Dear Sir,

In continuation of this office letter No. NEPRA/Tariff-133/KESC-2009/1330-1333 dated December 23, 2009 whereby determination of the Authority in respect of Karachi Electric Supply Company Ltd. (KESC) in the matter of Increase in Base Tariff and Modification of Terms and Conditions of Electricity Supply and Security Deposit Rates was sent. Please find enclosed herewith the decision of the Authority along with Annex-I (12 pages) in the matter of Motion for Leave for Review filed by KESC on January 5, 2010.

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

3. Please be informed that the Terms and Conditions earlier intimated vide para 26 of the Authority's determination dated December 23, 2009 are being amended for inclusion in the approved Terms and Conditions of Supply as detailed in para 34 of the decision of the Authority on the subject motion. The Order along with Annex-I is required to be notified in the official Gazette.

Enclosure: As above

(Syed Safer Hussain)

Secretary
Ministry of Water & Power,
'A' Block, Pak Secretariat
Islamabad.

CC:

1. Secretary, Cabinet Division, Cabinet Block, Islamabad.
2. Secretary, Ministry of Finance, Islamabad.
3. Secretary, Privatization Commission, EAC Building, Islamabad.



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

NO. NEPRA/TRF-133/KESCL-2009(6)

**DECISION OF THE
AUTHORITY
MOTION FOR LEAVE FOR REVIEW**

Filed by

**KARACHI ELECTRIC SUPPLY
COMPANY LIMITED (KESCL)**

October 15th, 2010

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

Case No. NEPRA/TRF-133/KESCL-2009(6)

October _____, 2010

Petitioner

Decision of Authority in the matter of Motion for Leave for Review filed by
Karachi Electric Supply Company Limited (KESCL)

Authority

Zafar Ali Khan
Member

[Signature]

Maqbool Ahmad Khawaja
Member

*I had already dissented decision of Authority
dated 22/11/09. It still merits its n.y. with
of KESCL. It will be reopened till 2012*

4/10/10

Shaukat Ali Kundi
Member

*I have dissented with the majority decision
on the main petition of KESCL and
as such it stands unopposed.*

Shaukat Ali Kundi

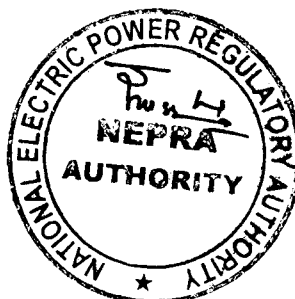
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Ghiasuddin Ahmed
Vice Chairman/Member

[Signature]
13/X

Khalid Saeed
Chairman

[Signature]
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Decision of the Authority in the matter of
Motion for Leave for Review filed by
Karachi Electric Supply Company Limited (KESCL)

KESCL filed a Motion for Leave for Review on January 5, 2010 under the NEPRA Tariff (Standards and Procedure) Rules 1998 (hereinafter the "Tariff Rules") for reconsideration of National Electric Power Regulatory Authority (hereinafter the "Authority") determination issued on December 23, 2009, in the matter of tariff Petition filed by KESCL for increase in base tariff and modification of tariff adjustment mechanism, terms and conditions of supply and security deposit rates.

2. KESCL, through its review petition has sought relief in respect of the following issues of its tariff Petition.

- i) Increase in O&M component of current tariff
- ii) Increase in Fuel & Power Purchase Component of current tariff
- iii) Resetting of Transmission and Distribution losses
- iv) Removal/deferral of Clawback Mechanism
- v) Modification in Terms and Conditions of Supply
- vi) Determination of Rates for the Security Deposit

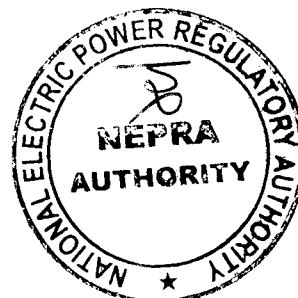
3. Since the Review Petition was within the time frame as given under sub-rule 6 of rule 16 of the Tariff Rules, the Authority admitted KESCL's Review Petition on February 19, 2010 and also decided to conduct public hearing at Karachi. Accordingly, notice of admission together with notice for the public hearing was published in the daily newspapers on April 6, 2010. Simultaneously, notices to the interveners of the tariff petition and other main stakeholders were sent for information and invitation for their participation in the proceedings of the case. Public hearing of the review petition was held at Karachi on April 21, 2010. At the public hearing the interveners as well as other commentators offered their detailed comments while raising objections on the above mentioned issues and the relief in tariff sought by KESCL through its review petition.

4. The issues raised by KESCL through its Review Petition and the objections raised by the interveners/commentators thereon are discussed in the proceeding paragraphs alongwith decision of the Authority on each issue.

Increase in O&M Component of Current Tariff

5. KESCL submitted that in the tariff petition filed by it on April 21, 2009, it had requested for a one time increase of Rs. 0.64 / kWh in the O&M component of its multi-year tariff. KESCL had demonstrated that the O&M component in the current tariff structure is inadequate to fully cover its O&M cost resulting in severe financial loss to the Company. KESCL had also tried to prove in the petition that the O&M cost component of the overall tariff had been insufficient from the very start i.e. in the original tariff determination of 2002 and even more so subsequently, the gap widened due to hiring of additional 7,604 employees just prior to privatization. Moreover, the

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poor condition of the plants at the time of privatization resulted in increased repair and maintenance cost, as no major maintenance was conducted on the plants prior to the privatization.

6. KESCL further submitted that the Authority in its determination dated December 23, 2009, allowed KESCL Rs. 0.15/kWh increase in the O&M component of the tariff. KESCL maintains that the allowed increase is not sufficient and if it is not revised upwards, then KESCL will continue to incur heavy financial losses and the long-term sustainability of KESCL's operations would become doubtful. In effect, the Company will continue to utilize the investment component of its tariff to fund ongoing operating costs rather than capital expenditure, creating the same vicious circle that brought KESCL to its existing condition over the last 30 years. The inability to invest in maintenance and improvement of the network is a primary cause of KESCL's poor operational and financial condition today. KESCL further argued that it is in the interest of both consumers and KESCL to ensure that sufficient investment is made now to improve the network, and the Authority and consumers must take a longer term (10 to 20 year) view to ensure that KESCL has the ability to perform at the required standard.

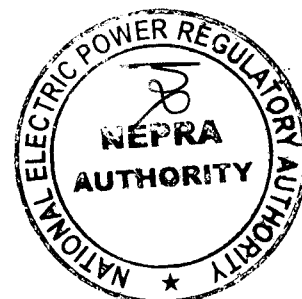
7. KESCL, therefore, requested that it should be allowed a further increase of Rs. 0.43/kWh in the O&M cost component of tariff so that it can recover its cost of operations which is also a basic principle behind the Multi-year Tariff (hereinafter the "MYT").

8. Mr. Muhammad Nisar Shekhani, representing All Pakistan Textile Processing Mills Association, in his capacity as an Intervener of the case submitted his comments on Review Petition filed by KESCL whereby he strongly opposed to KESCL request for increase in its O&M cost by Rs. 0.43/kWh. The Intervener submitted that KESCL has not provided sufficient details, computation or the basis of its claim. While opposing KESCL request for an increase in O&M cost component, the intervener submitted that KESCL in its original tariff petition had given the reasons of excess employment while in its Review Petition the Petitioner has spoken of poor condition of the plants at the time of privatization that increased the cost of maintenance and repair. The Intervener questioned that KESCL be asked to explain and clarify its position with regard to Rs. 13.6 billion funded by GoP under the Financial Improvement Plant (FIP) whereby KESCL was required to initiate improvements in Generation, Transmission and Distribution network and also that why it did not raise this issue at the time of Privatization.

9. The Intervener in his concluding remarks opined that arguments provided by KESCL in its support of the claim are simply an "Eye-wash" and do not reflect the commitment as embodied in the Agreement of Privatization. He therefore requested the Authority that KESCL's request for increase in O&M cost component should not be considered by the Authority.

10. The Irrigation and Power Department, Government of Sindh, in their comments submitted that KESCL has not made any investment to rehabilitate its existing plants and failed to fulfill its obligations with respect to its committed investment, therefore, there is

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hardly any justification and reason to accept KESCL request. It further submitted that KESCL has not performed to the satisfaction of its consumers nor achieved the desired level of efficiency to reduce its losses and expenses. The commentator also stated that hiring of an expensive O&M contractor in the initial years of its privatization with no past experience of operating a utility contributed a great deal to its abnormal increase in O&M expenses.

11. The Authority has examined the issue in context of KESCL submissions, comments of interveners and other commentators as well as determination of the Authority made on December 23, 2009 and finds that KESCL has not provided any new evidence/justification in support of its claim. The Authority in its last determination issued on December 23, 2009 had taken a principled position for not allowing KESCL any thing on account of its inefficiency and poor performance and departure from the Authority directives as well as the main spirit of the multi-year tariff determination of the Authority made in the year 2002. Accordingly KESCL was allowed an increase of Rs. 0.15/kWh by the Authority vide its determination dated December 23, 2009, on account of cost of salary and wages of additional 7604 employees which were inducted during the pre-privatization period over which the KESCL new management had no control. This increase was over and above the permissible annual CPI indexation as allowed to KESCL under the approved CPI-X adjustment mechanism.

12. The Authority considers that per unit O&M cost of KESCL has direct linkage with its performance/reduction of T&D losses. KESCL's presently claimed level of T&D losses (around 35%) are quite higher than the allowed level of losses (25%) and therefore non recovery of its O&M cost through the existing tariff due to higher than the required T&D losses and other inefficiencies/wasteful expenditures does not justify KESCL's claim for an increase in its O&M cost component. The Authority therefore declines KESCL request for further increase in the O&M cost component of tariff by maintaining its previous decision.

Increase in Fuel & Power Purchase Component of Current Tariff

13. KESCL in its Review Petition submitted that it had requested in its original tariff petition for an increase of Rs. 0.36/kWh in current base tariff to cover the difference in actual fuel and power purchase cost (Rs. 8.31/kWh) versus that being allowed/implemented through quarterly tariff adjustments (Rs. 7.95/kWh). KESCL stated that the Authority approved the revised heat rates of its generation power plants on sent out basis while taking into account an auxiliary consumption of 6.1% as approved in the Previous Determination of FY 2002-2003, for the purpose of KESCL's future adjustments in tariff due to fuel price variation, but did not allow its financial impact of Rs. 0.1440/kWh in the base tariff. KESCL submitted that the Authority had allowed a cumulative increase of Rs. 2.36/kWh during the period January 2003 to June 2009 on account of variation in fuel prices through quarterly tariff adjustments. These adjustments were based on heat rates at gross generation, not accounting for the auxiliary consumption, hence resulting in an aggregate shortfall of Rs. 0.1440/kWh in the current tariff. KESCL in its Review Petition therefore requested that it should be

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allowed an increase of Rs. 0.1440/kWh in the current tariff on account of this shortfall for future application.

14. The Intervener (Mr. Muhammad Nisar Shekhani) in his submissions objected to KESCL request stating that the Authority at para 14.8 of its determination dated December 23, 2009 rejected the plea of the Petitioner on the grounds that the deteriorating thermal efficiencies of its power plants did not merit any consideration. The Intervener further submitted that KESCL should make efficient use of resources by eliminating wastage and converting single operation to combined cycle operation of its power plants.

15. The interveners (Mr. Nisar Shehkani, Dr. Qazi Ahmed Kamal and Mr. Arif Bilvani) while discussing on the issue during the public hearing of the review petition held on April 21, 2010, did not support KESCL request for increase in the tariff on account of auxiliary consumption, rather they emphasized upon KESCL to bring in efficiency in their generation system through proper utilization of fuels such as Gas and better maintenance of its power plants.

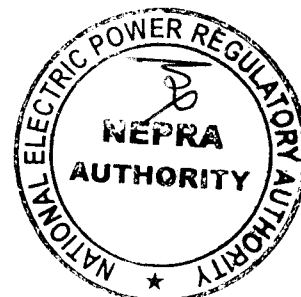
16. The Authority after thoroughly analyzing the comments of the Interveners and KESCL's request for an increase of Rs. 0.1440/kWh on account of the shortfall in tariff due to non application of 6.1% auxiliary consumption in all the past quarterly fuel price adjustments allowed to KESCL holds that the request of KESCL is not maintainable as the Authority has already removed this discrepancy in the current approved adjustment mechanism through revision in the heat rates to be applicable for the future fuel price adjustments under the approved mechanism. KESCL's claim for an increase of Rs. 0.1440/kWh which primarily has resulted due to an aggregated effect of not accounting for the 6.1% auxiliary consumption in KESCL's all past quarterly adjustments of fuel price variations since 2002, tantamount to take double advantage for the same factor and therefore cannot be considered at this stage. The Authority considers that the issue of auxiliary consumption viz-a-viz revised heat rates has already been amply discussed and decided while taking in to account all aspects of the issue in its determination issued on December 23, 2009 and therefore does not merit further consideration by the Authority.

Resetting of Transmission and Distribution Losses

17. KESCL submitted that in its Tariff Petition filed on April 21, 2009, it requested the Authority that its T&D losses be reset at 34.2% for FY 2008-2009 and reduced by 1% thereafter for the next seven years. However, the Authority, in its determination dated December 23, 2009, has not allowed the per annum level of T&D losses as proposed by it in the tariff petition.

18. KESCL submitted that at the time of the Previous Determination for the FY 2002-2003, the determined losses were assumed to be 35.0% whereas in reality the actual losses were at 40.8% for the same year. It is evident, therefore, that the current revenue shortfall that KESCL faces, has persisted over the last six years and is responsible,

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mainly for KESCL's current financial crisis. KESCL contended that the very basis on which transmission and distribution losses were to be adjusted was incorrect at the very outset.

19. KESCL in its submissions admitted the fact that its current T&D losses are on the higher side. It defended its position by stating that it was not a result of a one-time anomaly, but instead increased gradually since 1987 and reached at a extremely high level of 35.8% in 2008-09. KESCL stated that an estimated capital investment of Rs. 30 billion in Transmission and Distribution assets is required to reduce its T&D losses to a reasonable level, which means that nearly Rs.3.0 billion must be incurred for every 1.0% reduction in technical losses. Furthermore, given the complex socioeconomic environment of Karachi, reducing non-technical losses requires significant time and planning for which it should be allowed a sufficient breathing space and resources to reduce them. It stated that due to liquidity crises, whatever funds are available with KESCL are being utilized to meet the company's working capital requirement, rather than investing on its network to reduce its T&D losses.

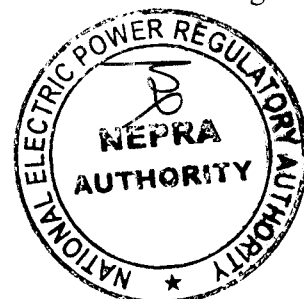
20. KESCL requested that its T&D loss targets for the current as well as future years should be adequately set while keeping in view the above mentioned constraints. KESCL therefore proposed that its T&D losses be reset at the level of 27.0% for FY 2009-10 and FY 2010-11 with the gradual reduction of 2% per annum thereafter.

21. Commenting on the issue, Mr. Muhammad Nisar Shekhani (the Intervener) submitted that KESCL has suffered severe financial losses on account of its higher T&D losses. The Government of Pakistan funded a program, FIP, with Rs. 13.6 billion to improve the Generation, Transmission and Distribution network. Furthermore, as per the agreements signed by the new management of KESCL with GoP at the time of privatization, KESCL was required to invest substantial funds from its own sources to improve its performance and curtailment of line losses. The Intervener stated that KESCL should be asked to clarify its position with respect to utilization of the aforementioned funds. He further submitted that KESCL has indicated much needed additional investment of Rs. 30 billion for reduction in its T&D losses, but did not indicate the source for this huge investment. The intervener in his concluding remarks stated that there is a need to look deeper into the issue as it seems that KESCL is trying to camouflage some other losses and park them under the head of T&D losses.

22. The interveners (Dr. Qazi Ahmed Kamal, Ch. Mazhar Ali and Mr. Arif Bilvani) and commentators also spoke against the high level of current T&D losses and did not support resetting of KESCL T&D losses as proposed by it in the Review Petition.

23. The Authority has examined KESCL's request for resetting its T&D losses and finds no justification to reconsider it at this stage. The Authority in its determination dated 23, 2009 did not accept KESCL's request for resetting its T&D losses on the ground that any change in the T&D losses due to non performance by KESCL from the approved level as provided in the multi-year tariff determination of the Authority made in 2002 is not acceptable. The Authority observed that KESCL is reiterating the previous

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grounds which have already been rejected by the Authority and has not put on record any new ground. The Authority at Para 22.5 of its determination dated December 23, 2009 had clearly stated that *'resetting the T&D losses and yearly targets as proposed by KESCL shall not be in line with the spirit and the framework of performance based tariff as envisaged in the Previous Determination and would also negate the sole purpose of GoP handing over KESCL to a private management in 2005'*.

24. The Authority, therefore, decided that there is no justification to reset the T&D losses as proposed by it in the Review Petition.

Removal/deferral of Claw Back Mechanism

25. KESCL submitted that under the Tariff Petition filed by it on April 21, 2009, it had sought removal/suspension of the claw-back mechanism built into the MYT regime as approved in the tariff determination of 2002. KESCL submitted that the claw-back mechanism is designed essentially to cap returns by requiring earned returns over 12%, 15% and 18% to be repaid to consumers in the form of a reduction in tariff over defined thresholds of 25%, 50% and 75%. Despite the various structural issues, which provide a significant disincentive to any investor for improving the Company's efficiency, the Authority, in its Revised Determination, dated December 23, 2009, did not consider removal / suspension of the claw-back mechanism justified.

26. KESCL in support of its request for suspension/removal of claw-back mechanism provided the following justification/reasons:

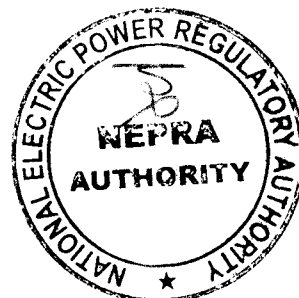
a. Incorrect and Inconsistent Formula:

KESCL submitted that the existing formula for working out Regulatory Asset Base (RAB) is incorrect and inconsistent with that applicable to other power generation and distribution companies in the country, and indeed with all other regulated utilities. KESCL's "Regulatory Asset Base" is defined as total borrowings plus total equity less cash and securities. The Company's Earning Before Interest and Tax (EBIT) is divided by this "Regulatory Asset Base", to determine the annual return. All other regulated utilities benefit from return calculations based on a Regulatory Asset Base value derived from Net Fixed Assets. Therefore, the application of a different basis for KESCL is discriminatory.

b. Negates the essence of the Multi Year Tariff (MYT) Regime:

KESCL submitted that the current tariff regime is essentially a performance-based tariff which dictates that the end consumer should benefit from any improvements in the Company's efficiency through a profit-sharing mechanism. Application of a claw-back mechanism in combination with a performance-based T&D loss schedule (assumed in the tariff) essentially equates to a "double dip" on the Company's earnings capability. It is important to highlight that there is no global

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precedent for a built in claw-back mechanism in a performance-based tariff structure. Therefore, application of the claw-back mechanism actually serves as a penalty on the Company with the revenue line being capped through the implied T&D loss schedule built into the tariff and hampers the ability of the Company to generate cash and reinvest in its operations.

c. Disincentive for Long-term Reinvestment into the Company:

KESCL further submitted that in its opinion the continuation of this mechanism will have severe financial repercussions in future as it limits its internal cash generation capability and affects its long-term financial viability. The long term investment plans will not be sustainable unless KESCL is able to retain surplus cash and repairs its balance sheet. Furthermore, it will not be able to convince either shareholders or lenders to inject additional funding in the short term. If this "double-dip" remains effective it is unlikely that shareholders will invest additional amounts beyond the already provided US\$ 193 million.

27. KESCL, therefore, requested the Authority to suspend the claw-back mechanism for the period this tariff determination remains applicable i.e. seven years, or defer it until the Company is able to recover its accumulated losses. KESCL also requested that at the very minimum, the definition of the "Regulatory Asset Base" be revised and made consistent with that of other power generation and distribution companies in the country.

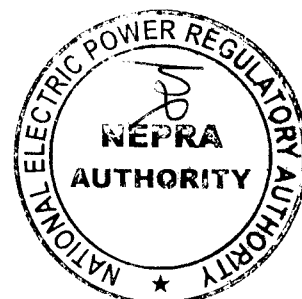
28. None of the interveners and commentators, during the hearing and in their submissions to the Authority, supported KESCL's request for suspension/removal of claw-back mechanism.

29. The Authority observed that the issue of suspension/removal of claw-back mechanism was discussed and deliberated at length at the time of deciding KESCL original tariff petition. The Authority in its determination dated December 23, 2009 at paras 18.3-18.8 gave full justification and rationale for not changing the existing claw-back mechanism from its original form and shape as approved by the Authority in its determination of multi-year tariff for KESCL made in the year 2002. The Authority considers that no new evidence or rationale for changing the claw-back mechanism from its present form has been provided by KESCL neither there are any compelling circumstances which warrant reconsideration of the Authority's determination at this stage. The Authority has therefore decided not to change its previous decision in the matter.

Modification in Terms and Conditions of Supply

30. KESCL through its review petition has pointed out some discrepancies and suggested amendments in the terms and conditions of supply approved by the Authority vide its determination dated December 23, 2009. The following amendments have been proposed by KESCL.

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i) ToU Metering

KESCL submitted that the Authority in its determination approved ToU metering arrangement for all classes of consumers having sanctioned load of 5 kW and above whereby all the existing consumers are to be provided with ToU meters by June 30, 2011 and all new connections having sanctioned load of 5 kW and above are to be provided ToU meters with effect from January 01, 2010.

KESCL stated that it has over 2 million consumers, with about 40% having load of 5 kW and above. Conversion of these consumers on ToU metering involves a lengthy procedure, requires ToU meters, material, manpower and financial resources. KESCL has, therefore, requested that the date for providing ToU meters to all new consumers be extended from January 01, 2010 to July 2010 and for the existing consumers to June 30, 2014.

ii) Rate for B-1 Industrial Consumers

KESCL pointed out a typographical error in the approved terms and conditions of supply whereby it has been stated:

“ All existing consumers under B-1 category having sanctioned load of 5 kW and above shall be provided ToU metering arrangement and converted to B2(b) Tariff by the Company no later than 30th June 2011. Till such time they will be billed under Tariff B2(a)”.

KESCL has suggested that the last sentence of the above mentioned condition may be replaced with “Till such time they will be billed under Tariff B-1”.

iii) C-2 SUPPLY AT 11 KV and 33 KV (151 kW up to 5000 kW)

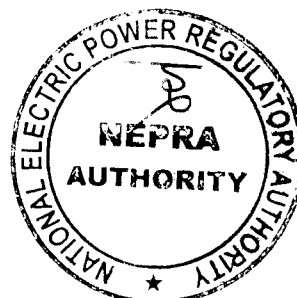
KESCL pointed out a typographical error whereby C-2 category has been captioned “(151 kW upto 5000 kW)” instead of “(501 kW to 5000 kW)” KESCL has requested that the aforementioned error may be rectified.

iv) C-3 (b) (to be amended in the schedule of tariff)

"For Supply at 132 KV up to and including 5000KW" as mentioned in the approved schedule of tariff for KESCL, should be replaced with "For All Loads at 132/220 KV".

31. The aforementioned suggestions/amendments as requested by KESCL have been thoroughly examined and found that there is a need to amend the existing terms and conditions of supply for the purpose of clarity and consistency among various consumer classes. Furthermore, the time lines given to KESCL for provision of ToU meters for different categories of consumers having sanctioned load of 5 kW and above also need to be reconsidered in view of its practicability and limited financial resources of the utility. The Authority has, therefore, decided to accept KESCL request for extension in the time limit for provision of ToU meters and other suggested

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amendments, wherever required, in the existing terms and conditions of KESCL as approved and attached herewith as Annexure-1.

Determination of Rates for Security Deposit

32. KESCL submitted that the rates of Security Deposit of other distribution companies were revised in the third quarter of 2008 and are much higher than the existing approved rates of KESCL. KESCL stated that as per the determination dated December 23, 2009, the Authority in principle agreed that KESCL's request for modification in the security deposit rates shall be decided later on along with those of other distribution companies to be uniformly applicable all across the country. However, till such time, KESCL is essentially discriminated against, as the other distribution companies enjoy enhanced Security Deposit rates, while KESCL still charges old rates which do not even provide the basic rationale for charging of the security deposits considering the socio-political situation of Karachi. KESCL, therefore, requested the Authority to re-consider its decision.

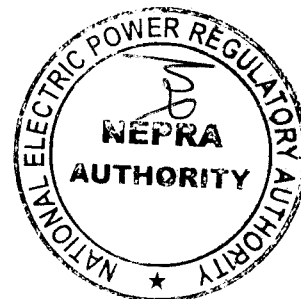
33. The Authority is aware of the fact that KESCL's existing security deposit rates are applicable since 2003 and are on the lower side while there has been a significant increase in the security deposit rates of other distribution companies. The Authority has already considered various options for revision of the security deposit rates for the distribution companies including KESCL and therefore decided to approve new security rates for KESCL very shortly through a separate order along with other distribution companies.

Order.

34. After hearing all the parties including interveners as well as the Petitioner, the following decision has been taken by the Authority as discussed in the preceding paragraphs, the gist of which is given hereunder:

- i) KESCL's request for increase in O&M cost component is hereby rejected.
- ii) KESCL's request for increase in tariff by Rs. 0.1440/kWh on account of auxiliary consumption is hereby rejected.
- iii) KESCL's request for modification/suspension of claw-back mechanism is hereby rejected.
- iv) KESCL's request for modification/amendment in the terms and conditions of supply is hereby accepted with necessary amendments, wherever required, for inclusion in the approved terms and conditions of supply attached herewith as Annexure-1.
- v) The security deposit rates for KESCL shall be decided shortly along with other distribution companies through a separate order of the Authority.

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Annexure-1

Amendments to be made in the Terms and Conditions of Supply for KESCL

- i) At serial No.1, under the heading 'General Conditions' at page 50 of the determination of the Authority dated December 23, 2009, in the first line after the words 'render bills' the words "including bank collection charges" may be added.
- ii) The applicable dates wherever mentioned in the terms and conditions of supply for provision of ToU meters by KESCL for the relevant category of consumers have been extended and therefore may be substituted as follows:
 - a) for all existing consumers having sanctioned load of 5 kW and above: "December 31, 2012", and
 - b) for all new consumers having sanctioned of 5 kW and above: "July 01, 2010".
- iii) The applicable tariff "B2(a)" mentioned in the last line of serial No. 3 under B-1 category Part 11 page 52 of the Determination of the Authority dated December 23, 2009, shall be substituted with "B-1.
- iv) The heading titled 'C-2 SUPPLY AT 11 kV & 33 kV (151 kW up to 5000 kW) at page 55 of the determination dated December 23, 2009 shall be replaced with "C-2 SUPPLY AT 11 kV & 33 kV (501 kW up to 5000 kW)".

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