

TO BE PUBLISHED IN THE OFFICIAL GAZETTE
GOVERNMENT OF PAKISTAN

Government of Pakistan
Ministry of Energy
(Power Division)

Islamabad, the May 22, 2019

NOTIFICATION

S.R.O. 576(I)/2019.- In exercise of the powers conferred by sub-section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), the Federal Government is pleased to direct that the following further amendments shall be made in its Notification No.S.R.O.11(I)/2010 dated the 1st January, 2010, namely:-

In the aforesaid Notification, for Annexure A,B,C,D and E, the following Order of the Authority along with Annexure-I,II,III,IV,V(S-I), VI and VII shall be substituted, namely:-

"ORDER

K-Electric Tariff w.e.f. July 01, 2016

Tariff Components	Remarks	Rs./kWh	Remarks	Rs./kWh
Generation	At Bus Bar	7.7005	At Units Sold Basis	9.7351
Transmission	At Transmission Sent Outs	0.4962	At Units Sold Basis	0.6192
Distribution	At Units Sold	1.3890	At Units Sold Basis	1.3890
Base Rate Adjustment Component			At Units Sold Basis	1.0740
Tariff applicable w.e.f. July 01, 2016			At Units Sold Basis	12.8172

- I. K-Electric is allowed to charge tariff from its consumers as indicated in the schedule of tariff attached as Annex -V to this determination.
- II. The period for the Multi Year Tariff shall be of seven years applicable from July 01, 2016 till June 30, 2023.
- III. The consumer end tariff shall be subject to the following adjustments;
 - The fuel cost component of KE's own generation power plants shall be adjusted in accordance with the mechanism attached herewith as Annex-II.

- The Power Purchase Cost component shall be adjusted in accordance with the mechanism attached herewith as Annex-III.
- The actual payments in respect of WWF and WPPF to the IPPs shall be considered as pass through and shall be adjusted on yearly basis upon production of verifiable documentary evidence.
- The O&M, Depreciation, RORB, Other Income and base rate adjustment components shall be adjusted in accordance with the mechanism attached herewith as Annex-IV.

IV. The following flat thermal efficiencies and heat rates (Net HHV) for K-Electric's own existing generation fleet have been determined, for the Tariff Control Period;

Plant	Heat Rate (Btu/kWh) Net HHV FLAT	Corresponding Efficiency (%)
BQPS-I		
Unit 1	10,802	31.59
Unit 2	10,650	32.04
Unit 3	10,996	31.03
Unit 4	10,899	31.31
Unit 5	10,304	33.11
Unit 6	10,249	33.29
BQPS 2	7,991	42.70
KCCPP	8,497	40.16
KGTPS	8,738	39.05
SGTPS	8,746	39.01

- V. The following auxiliary consumption of gross capacity at mean site conditions have been allowed, for the Tariff Control Period;

Plant Description	Installed Capacity at ISO	Gross Capacity at mean site	Approved Net Capacity at mean site	Auxiliary Consumption of gross Capacity
	MW	MW	MW	%
Bin Qasim Power Station (BQPS 1):				
Unit 1	210.00	200.00	183.78	8.11
Unit 2	210.00	200.00	184.00	8.00
Unit 3	210.00	200.00	183.50	8.25
Unit 4	210.00	200.00	183.64	8.18
Unit 5	210.00	200.00	184.50	7.75
Unit 6	210.00	200.00	184.58	7.71
Sub-Total	1,260.00	1,200.00	1,104.00	8.00
Korangi 220 MW CCPP:				
Unit-1-4 Gas Turbine of 48.38 MW each	193.50	187.70		
Unit-5 Steam Turbine	26.50	25.70		
Unit-6 Steam Turbine (New addition)	27.50	26.70		
Sub-Total	247.50	240.10	223.49	6.92
Gas Engines at Korangi Town:				
32 Gas engines of 3.041 MW each	97.31	87.65		
Unit 33 Steam Turbine (New addition)	10.00	9.57		
Sub-Total	107.31	97.21	94.78	2.50
Gas Engines at SITE:				
32 Gas engines of 3.041 MW each	97.31	87.65		
Unit 33 Steam Turbine (New addition)	10.00	9.57		
Sub-Total	107.31	97.21	94.78	2.50
Bin Qasim New CCPP (BQPS 2):				
Unit-1-3 Gas Turbine each of 127.8 MW	383.40	347.10		
Unit-4 Steam Turbine	189.27	181.30		
Sub-Total	572.67	528.40	496.11	6.11
Total	2,294.79	2,162.92	2,013.16	

- VI. In case K-Electric decides to lease out any of its existing power plants or Units including Unit 3 and 4 of BQPS-I, before expiry of their useful life, the indexed tariff components for the said plant or Unit i.e. O&M, Depreciation and RoRB components shall be adjusted from the tariff prevalent at the time of leasing out of such power plant/ unit. The O&M, Depreciation and RoRB components in terms of unit 3 & 4 of BQPS-I included in the tariff to be applicable from July 01, 2016 are Rs.0.0367/kWh, Rs.0.0261/kWh and Rs. 0.0230/kWh respectively.
- VII. The heat rates of BQPS-II have been determined on the basis of heat rates guaranteed by the EPC contractor. K-Electric has already been directed to conduct heat rate test of BQPS-II and submit the same to the Authority for approval. The adjustment in heat rates will be made based on the results of the performance (Heat Rate) test.
- VIII. In view of the addition of steam turbines at KCCP, SGTPS and KGTPS, the numbers in respect of efficiency and auxiliary consumption are worked on provisional basis, based on the given information and supporting documents. K-Electric is directed to conduct heat rate test of KCCP, SGTPS and KGTPS and submit the report to the Authority for approval. The adjustment in heat rates will be made based on the results of the performance (Heat Rate) test.

- IX. Regarding BQPS-I, the parameters allowed by the Authority are provisional and the Authority directs K-Electric to arrange performance test (Heat rate test) by an Independent Engineer within a period of six months from the date of notification of the instant tariff determination. For the selection of independent engineer, KE shall broadly follow the procedure specified in NEPRA (Selection of Engineering, Procurement and Construction Contractor by IPPs) Guidelines, 2017. The tests shall be conducted in the presence of NEPRA professionals as observers. The adjustment in heat rates will be made based on the results of the performance (Heat Rate) test.
- X. K-Electric shall arrange heat rate tests by an Independent Engineer within a period of six months from the date of notification of the instant tariff determination. For the selection of independent engineer, KE shall broadly follow the procedure specified in NEPRA (Selection of Engineering, Procurement and Construction Contractor by IPPs) Guidelines, 2017. The tests shall be conducted in the presence of NEPRA professionals as observers. The adjustment in heat rates will be made based on the results of the performance (Heat Rate) test.
- XI. For the upcoming power plants or replacement of existing power plants/units, K-Electric shall perform Capacity and Heat Rate tests in a transparent manner by a reputable Independent Engineer to be selected by broadly following the procedure specified in NEPRA (Selection of Engineering, Procurement and Construction Contractor by IPPs) Guidelines, 2017 in the presence of NEPRA professionals at the time of commissioning for the Authority's approval. Till approval of performance test results by the Authority, adjustment in the fuel cost component for the upcoming and replaced power plants shall be allowed based on the heat rates as guaranteed by the EPC contractor subject to adjustment. The adjustment in heat rate will be made only if the heat rate in the test is found lower than the heat rates guaranteed by the EPC contractor. Similarly adjustment in capacity will be made only if the actual capacity pursuant to the performance test is found to be higher than the capacity guaranteed by the EPC contractor. The replacement would mean installation of new power plant/ unit (which as per existing fleet includes but not limited to, turbines, engines etc.) in place of existing power plant/ unit with over all higher net thermal efficiencies.
- XII. For the upcoming power plants or replacement of existing power plants/units, no adjustment in tariff except to the extent of Heat rates and Auxiliaries shall be made.
- XIII. K-Electric is directed to obtain approval of the Authority for future power acquisition along-with the rates and other terms and conditions for purchase of power from external sources. K-Electric shall not be allowed any adjustment in tariff on account of power purchase cost variation in respect of those power sources for which prior approval of the Authority has not been obtained. For this purpose K-Electric shall submit its request for power acquisition along-with the rationale and relevant documents.
- XIV. The cost of WWF/WWPF related to K-Electric shall be allowed as pass through cost on actual basis subject to provision of verifiable documentary evidence for adjustment on yearly basis to be recovered in the next year.
- XV. K-Electric has not been allowed any provision on account of the Doubtful debts in the tariff, however, Bad Debts written off @ 1.69% of K-Electric's assessed sales revenue has been

allowed in the base case. For the purpose of actual write offs in future, K-Electric shall complete the following procedures;

- i. The defaulter connection to be written off shall be disconnected.
 - ii. The amount of write off shall be approved by the KE BoD which shall certify that KE has made all best possible efforts to recover the amount being written off.
 - iii. KE Auditors shall verify that the amount is non-recoverable notwithstanding the efforts of the company.
 - iv. The terms of write off shall also be given in detail.
 - v. In case any amount written off is subsequently recovered from the customer, the recovered amount shall be adjusted in next year's tariff.
- XVI. K-Electric has not been allowed the impact of Revaluation on its Regulatory Assets Base while working out the Depreciation charges and Return on Rate Base.
- XVII. Other Income, excluding the impact of Late Payment charges (LPC), Interest on Bank Deposits and Meter Rent, has been deducted from the base case assessment.
- XVIII. K-Electric shall pay interest earned on security deposits to the consumers through electricity bills.
- XIX. K-Electric shall not charge bank collection charges from the consumers separately in their bills.
- XX. K-Electric is directed to stop charging of meter rent in future from those consumers who pay their cost of meter. In case of any meter replacement, owing to fault of consumers, the matter shall be dealt with as per the relevant provisions of the CSM.
- XXI. K-Electric is hereby allowed a total investment of Rs.298,915 million for the seven years tariff control period for its Generation, Transmission and Distribution Systems as given hereunder;

Investment Allowed

Functions	Rs. In Million
Generation	97,305
Transmission	127,942
Distribution	73,668
Total	298,915

- XXII. K-Electric shall place relevant documentary record of its additional investment decisions on its official website for information of the consumers.
- XXIII. A midterm review to the extent of allowed Investments only shall be carried out, after completion of three and a half (3.5) years of the tariff control period.
- i. In case of under investment /performance by K-Electric, the base rate adjustment component may be adjusted, keeping in view the amount of Investment allowed vis a vis actual investment made by K-Electric during the period, after thorough

analysis and review by the Authority. Similarly, for the last three and a half (3.5) years of the tariff control period, adjustment of base rate adjustment component, may be made in the next tariff determination, keeping in view the amount of Investment allowed vis a vis actual investment made by K-Electric during the period, after thorough analysis and review by the Authority. For clarity purpose, a self-explanatory adjustment mechanism has been attached as Exhibit-I.

- ii. In case KE wants to bring more investment to outperform the regulatory targets in Transmission & Distribution (T&D) segments then KE shall be allowed to retain the gains over and above the approved T&D loss target. Hence there shall be no revision in the T&D losses benchmarks and base rate adjustment component, implying that no cost of funds/WACC shall be allowed for that additional investment. Accordingly it would be KE's own commercial decision for these additional investments.
- iii. In case, KE achieves Authority's given T&D segments targets with additional investment then that additional investment wouldn't be allowed cost of funds/WACC. Meaning thereby no revision shall be made in the base rate adjustment component.
- iv. In case, KE does not meet the T&D segments targets and still end up making additional investment then such additional investment would be construed as inefficient for which again no adjustment shall be made in the base rate adjustment component. Thus consumers would be protected from any such decisions with non-attainment of required targets.
- v. Any additional investment in the generation sector would be allowed, keeping in view the prudent cost, changing technology and regional and international comparable benchmarks. Therefore, prior approval of new investment in generation segment other than the allowed 450 X 2 MW RLNG plant (BQPS-III) shall have to be obtained from the Authority. The Authority would accordingly decide on the issue and if allowed, would adjust the base rate adjustment component to the extent of that additional investment. Pertinent to mention that unlike past, KE shall not be allowed to retain the generation efficiency gains in this regard.
- vi. To the contrary, if the regulatory targets in T & D segment are met with by employing resources efficiently and diligently and hence meeting the regulatory

targets at a cost less than the allowed limit, then no revision shall be done in the base rate adjustment component. Thus KE shall be allowed to keep the savings.

- vii. In case KE does not carry out committed investment (as mentioned in para 28.30.19 of the Determination) and does not meet the regulatory benchmarks set in transmission and distribution segment then the base rate adjustment component would be revised accordingly to reflect the under investment made by KE.
- viii. In case, KE manages to build the BQPS-III power plant at a cost less than the cost allowed by the Authority then KE shall be allowed to retain the savings by not adjusting the base rate component.
- ix. In case KE abandon its plan to setup BQPS-III, then base rate adjustment component will be adjusted downward accordingly.

XXIV. The midterm review will be an appropriate time to evaluate on the effective realization of the investment plan. However, at the same time, to protect the consumer's interest, KE shall be required to submit annual investment progress reports. The purpose is to oversee the physical aspect of the investment plan and its correlation with the allowed regulatory targets.

XXV. K-Electric has been allowed the following target of T&D losses during the tariff control period;

Tariff Control Period							
FY	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
Allowed T&D Losses (%)	20.90%	19.80%	18.75%	17.76%	16.80%	15.95%	15.36%

XXVI. Profit Claw Back Mechanism shall become applicable, if the regulated EBIT of K-Electric exceeds the following thresholds in the respective year and shall be determined as prescribed in the Annex-VII.

Tariff Control Period						
1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
23.40%	18.95%	13.31%	11.17%	11.04%	11.04%	11.54%

XXVII. The limits for sharing of returns over and above the allowed returns, have been revised as under;

	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th year
25% to be shared with consumers	23.40% - 26.40%	18.95% - 21.95%	13.31% - 16.31%	11.17% - 14.17%	11.04% - 14.04%	11.04% - 14.04%	11.54% - 14.54%
50% to be shared with consumers	26.41% - 29.40%	21.96% - 24.95%	16.32% - 19.31%	14.18% - 17.17%	14.05% - 17.04%	14.05% - 17.04%	14.55% - 17.54%
75% to be shared with consumers	Above 29.41%	Above 24.96%	Above 19.32%	Above 17.18%	Above 17.05%	Above 17.05%	Above 17.55%

XXVIII. The X-Factor shall be applicable as lower of 2% or 30% of change in CPI for the Transmission functions and lower of 3% or 30% of change in CPI for the Distribution function.

XXIX. Terms and Conditions of supply of K-Electric have been modified in line with the terms and conditions of supply for XWDISCOs as prescribed in Annex-VI.

XXX. The issue of new connection charges shall be decided through separate proceedings with consultation of all the relevant stakeholders. Till such time K-Electric shall ensure that other connection charges pertaining to new connections to the prospective consumers are comparable with the XWDISCOs preferably LESCO.

XXXI. The Authority may review the tariff applicable to each class of consumers for rationalization or modification from time to time as deemed appropriate, in such a manner that the overall rate would remain the same.

XXXII. K-Electric shall ensure that;

- a. All existing consumers having sanctioned load of more than 5kW and above shall be provided ToU metering arrangement within three months from the date of notification of this decision and shall be billed on ToU rates.
- b. All new consumers having sanctioned load of 5kW and above shall be provided ToU metering arrangement with immediate effect and shall be billed on ToU rates.
- c. To start billing immediately on ToU rates to the consumer who have already been provided with ToU meters.

XXXIII. Reference CPI for allowing future CPI-X indexations is 205.99 as on May 31, 2016.

XXXIV. Furnace oil price of Rs.27,744/Metric Ton has been assumed to work out the Fuel cost component of K-Electric's own power plants.

XXXV. Gas price has been assumed as Rs. 13/mmbtu.

XXXVI. For the power purchase cost (Fuel, O&M and Capacity charges), the actual cost for the month of June, 2016 has been taken as reference.

XXXVII. Any corporate tax liability to the extent of current tax paid (without the impact of deferred tax impact) would be treated as pass through and shall be allowed through adjustment in the tariff.

XXXVIII. All components of the tariff shall be adjusted with yearly allowed target of T&D losses.

XXXIX. K-Electric is allowed to charge the users of its system a "Use of system charge" (UOSC) equal to:

i) Where 220kV, 132 kV and 66kV system is involved;

$$UOSC = TM(Gross) \times \frac{(1-L)}{(1-0.013)} \quad \text{Paisal kWh}$$

ii) Where only 11 kV distribution systems is involved;

$$UOSC = DM(Gross) \times \frac{(1-L)}{(1-0.062)} \times AFA(D) \quad \text{Paisal kWh}$$

iii) Where Transmission Network along with 11 kV distribution systems are involved;

$$UOSC = TM + DM(Gross) \times \frac{(1-L)}{(1-0.075)} \times AFA(TD) \quad \text{Paisal kWh}$$

Where;

Gross Transmission Margin for FY 2016-17 is set at Rs. 0.6192/kWh to be adjusted on respective year regulatory assessments.

Gross Distribution Margin for FY 2016-17 is set at Rs. 1.6970/kWh (without taking the impact of other income) to be adjusted on respective year regulatory assessments.

Gross Transmission & Distribution Margin for FY 2016-17 is set at Rs.2.3162/kWh (without excluding impact of other income) to be adjusted on respective year regulatory assessments

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

AFA (D) = Adjustment factor for assets at 11 kV level i.e. 42%.

AFA (TD) = Adjustment factor for assets at Transmission Network along with 11 kV level i.e. 67%.

- XL. K-Electric shall be obligated for adjustment/ recovery of any /all amounts in respect of matters currently pending in the courts or with the Authority or arising out in future pertaining to previous MYT determination /decisions of the Authority. The Authority in such cases shall prescribe the method of recovery/adjustment of such costs /claims based on its decision in the matter.
- XLI. K-Electric is directed to provide net metering arrangement to the consumers in accordance with the applicable provisions of NEPRA (Alternative and Renewable Energy) Distributed Generation and Net Metering Regulations, 2015.

XLII. No adjustment on account of variation in KIBOR and LIBOR shall be allowed to K-Electric during the tariff control period.

XLIII. Notwithstanding anything contained above, the said tariff determination and any rate or charge or terms and condition thereof approved by the Authority shall be subject to NEPRA Act as amended from time to time.

XLIV. This determination, order, rate, charge, terms and condition and any methodology to arrive at the said rate or charge including but not limited to methodology related to performance based regime etc. provided herein shall be limited to the tariff control period and shall not bind the Authority in any way or create any legitimate expectancy in favor of KE, for future tariff determinations and the Authority in the subsequent control period reserves the right to change alter, amend or modify any basis, methodology in the interest of the consumers and to ensure the sustainability of supply of electricity in accordance with the NEPRA Act.

XLV. The Summary of Directions;

1. To stop charging bill collection charges separately from the consumers in future.
2. To pay interest on security deposits to the consumers through their bills in future.
3. To stop charging of meter rent in future from those consumers who pay their cost of meter
4. To provide following information regarding 900 MW BQPS-III RLNG Power plant within 30 days of the issuance of instant MYT determination:
 - i. Make, Model & Type of Technology.
 - ii. OEM and EPC guaranteed figures for net LHV flat thermal efficiency (at mean site conditions) on RLNG and HSD (if applicable) based on simple and combined cycle mode of operation.
 - iii. OEM and EPC guaranteed figures for net capacity along with auxiliary consumption (at mean site conditions) on RLNG and HSD (if applicable) based on simple and combined cycle mode of operation.
 - iv. Degradation and part-load adjustment factors provided by OEM for the major individual components and overall plant.
 - v. Clear time lines regarding COD on open cycle and on combined cycle mode.
5. To apply the weighted average method for calculation of monthly F.O in its future adjustments to the Authority.
6. To develop and share its plans/ recommendations regarding competitive market regime in consultation with CPPA-G within a period of two years.

7. To follow grid code strictly and to build a state of the art real time online dispatch, control and monitoring center having a dedicated software with the objective of determining the most efficient, low-cost and reliable operation of a power system by dispatching the available electricity generation resources to supply the load on the system so as to achieve the objective to minimize the total cost of generation.
8. K-Electric is directed to take up the matter regarding payments from Strategic consumers with the GoP and a mechanism with respect to recoveries of arrears along-with future payments must be covered and clearly elaborated in the Implementation Agreement.
9. To comply following directions regarding ToU;
 - a. All existing consumers having sanctioned load of more than 5kW and above shall be provided ToU metering arrangement within three months from the date of notification of this decision and shall be billed on ToU rates.
 - b. All new consumers having sanctioned load of 5kW and above shall be provided ToU metering arrangement with immediate effect and shall be billed on ToU rates.
 - c. To start billing immediately on ToU rates to the consumer who have already been provided with ToU meters.
10. In case of doubts about the accuracy of any metering equipment, K-Electric, in addition to its existing testing lab should also provide the facility of mobile testing laboratory having exactly calibrated equipment at the door step of the affected consumer to check the accuracy of the meter, in presence of the consumer (or its representative). The calibrated equipment should indicate the last calibration date of the testing equipment.
11. KE is directed to get the connection charges approved by the Authority within a period of three months of the date of notification of this decision.

Annex-I

Detail of Tariff FY 2016-17

Description	Unit	FY 17				
		Mln. Rs.	Rs. /kWh (Unit Sent Out)	Rs. /kWh (Unit Sold)		
GENERATION						
K.E System	[GWh]	9,114				
Power Purchase	[GWh]	2,934				
NTDC	[GWh]	5,409				
	[GWh]	17,458				
Fuel Cost						
K.E System		51,090	2.9265	3.6998		
Power Purchase (IPPs, etc.)		17,703	1.0140	1.2820		
CPPA-G		21,790	1.2482	1.5780		
		90,583	5.1888	6.5598		
Generation O&M						
K.E System		5,817	0.3332	0.4212		
Power Purchase (IPPs, etc.)		7,538	0.4318	0.5459		
CPPA-G		13,478	0.7720	0.9760		
		26,833	1.5370	1.9431		
Depreciation		3,864	0.2213	0.2798		
RORB		13,152	0.7534	0.9524		
Generation Total		134,432	7.7005	9.7351		
TRANSMISSION						
Units Purchased	[GWh]	17,458				
Transmission Loss (%)		1.3%				
Units Lost	[GWh]	227				
Units Sent Out	[GWh]	17,231				
O&M		2,941	0.1707	0.2130		
Depreciation		1,369	0.0795	0.0991		
RORB		4,240	0.2461	0.3070		
Transmission Total		8,550	0.4962	0.6192		
DISTRIBUTION						
Units Purchased	[GWh]	17,231				
Distribution Loss (%)		19.86%				
Units Lost	[GWh]	3,422				
Units Sent/Sold	[GWh]	13,809				
O&M		15,699	1.1369	1.1369		
Bad Debts		2,941	0.2130	0.2130		
Depreciation		2,189	0.1585	0.1585		
Other Income		(4,253)	(0.3080)	(0.3080)		
RORB		2,605	0.1886	0.1886		
Distribution Total		19,181	1.3890	1.3890		
Base Rate Adjustment Component		14,830		1.0740		
Avg. Sale Rate		176,992		12.8172		

Annex-IIMECHANISM FOR ADJUSTMENT IN TARIFF DUE TO VARIATION IN FUEL PRICE

1. The fuel cost component of tariff of KE's own generation power plants shall be adjusted due to change in fuel prices, generation mix and volume. KE shall be allowed adjustment in this tariff component on monthly and quarterly basis.

Adjustments on Monthly Basis

2. The change in fuel cost component of KE's own generation fleet including any new/replaced power plants due to variation in fuel prices, generation mix and volume shall be passed on to the consumers of KE directly in their monthly bills in the form of Fuel Charges Adjustment ("FCA"). Following steps shall be followed to calculate these variations;

- i. The monthly fuel cost of each power plant/unit (inclusive of new /upcoming power plants) (on each fuel in case of dual fuel power stations) in KE's own generation system will be calculated based on actual units generated based on the target of heat rates and auxiliary consumption, approved by the Authority, as per the following formula;

$$\text{CoF} = (\text{GBB} \times \text{HR} \times \text{FP}_{(\text{CM})})$$

CoF = Cost of Fuel of each power station/unit in Million Rupees

GBB = Generation at Bus Bar of power station after its approved auxiliary consumption expressed in GWh

HR = The approved heat rate for each power station/unit in BTUs/kWh at Bus Bar.

FP_(CM) = Price of fuels for the current month converted into Rs./BTUs. The price of gas as notified by the relevant Authority shall be used. In case of deregulated fuels, the prices shall be verified from the documentary evidences to be submitted by KE. The conversion in BTUs shall be made based on calorific value approved by the Authority. For the determined fuel component in this tariff determination, the furnace oil and gas prices of Rs. 27,744/Metric ton and Rs. 613/MMBTu respectively have been used as reference. Calorific value of 40,351 BTUs/kg for furnace oil has been used.

Note: For dual fuel power plants/units, total fuel cost shall be calculated totaling the cost of energy generated on each fuel.

- ii. The fuel cost of each power station shall be totaled to arrive at monthly fuel cost of KE's whole generation fleet.

$$\text{TCoF}_{(WG)} = \text{CoF1} + \text{CoF2} + \text{CoF3} \dots \dots \text{CoFN}$$

TCoF (WG)	=	Total Cost of Fuel in Million Rupees of whole generation fleet of KE
COF1	=	Cost of Fuel in Million Rupees of 1 st power plant/unit
COF2	=	Cost of Fuel in Million Rupees of 2 nd power plant/unit
COF3	=	Cost of Fuel in Million Rupees of 3 rd power plant/unit
CoFN	=	Cost of Fuel in Million Rupees of Nth power plant/unit

- iii. The weighted average fuel cost shall be worked out by dividing the total fuel cost of whole generation fleet of KE with the total units sent out (both own generation and power purchases) by KE in that month.

$$\text{WAFC}_{(WG)} = \text{TCoF}_{(WG)} / \text{TUSO}$$

WAFC _(WG)	=	Weighted Average Fuel cost of KE's whole generation fleet in Rs./kWh
TCoF _(WG)	=	Total Cost of Fuel in Million Rupees of whole generation fleet of KE
TUSO	=	Total Units Sent Out based on targeted auxiliaries (KE's own generation + Power Purchases) in GWh

- iv. The computed monthly weighted average cost shall be compared with the reference weighted average cost to compute monthly FCA portion of change in KE own generation's fuel component. The formula is produced below;

$$\text{FCA(OG)} = \{ \text{WAFC}_{(WG)(CM)} - \text{WAFC}_{(WG)(RM)} \}$$

FCA(OG) = The required Increase/ (Decrease) in Rs./kWh in fuel cost component of KE's own generation for the current month over the last month of the previous quarter to be reflected in the monthly bills of consumers as part of Fuel Charges Adjustment.

W AFC _(WG) _(CM) = Weighted Average Fuel cost of KE's whole generation fleet of the Current Month in Rs./kWh

W AFC _(WG) _(RM) = Weighted Average Fuel cost of KE's whole generation fleet of the Reference Month in Rs./kWh

- v. For the purpose of above adjustment the Current Month would mean the month for which adjustment is required and the Reference Month would mean the last month of the preceding quarter.
- vi. For the purpose of adjustment for the months from July 01, 2016 to September, 2016, the determined fuel cost component of Rs.2.9265/kWh, calculated on total units sent out basis, shall be used as reference.
- vii. The generation at Bus bar for each power station/unit shall be worked out after subtracting the auxiliary consumption, set by the Authority, from the gross generation for each generating unit/power station.
- viii. The price of furnace oil shall be worked out on the basis of monthly weighted average method taking into account the opening stock, monthly purchases and closing stock. The price of gas as notified by the relevant Authority shall be used to calculate the cost and corresponding variations. In case of other fuels, the costs and variations shall be computed using prices that are either notified by the relevant Authority or based on the documentary evidences submitted by KE.
- ix. In case it is not possible to calculate energy on each fuel for the dual fuel power stations then the energy generated shall be worked out based on proportionate BTUs consumed (based on Authority's benchmark calorific value) of each fuel.
- x. The calorific value of furnace oil has been set as 40,351 BTUs/Kg. No variations in the calorific value shall be allowed on actual basis during the tariff control period. The calorific value of other fuels shall be approved by the Authority before allowing variation thereon.

- xi. K-Electric shall submit its monthly adjustment request within seven days following the current month. The request shall be submitted on a prescribed format as provided in this Mechanism. KE shall submit the following information/data for verification.
- Complete monthly data showing plant/unit wise gross generation, actual auxiliary consumption, fuel consumption, installed capacity, de-rated capacity, plant availability, power dispatched and system demand data.
 - Fuel stock position (opening and closing), Furnace Oil/Gas/Other Fuels purchased during a month along with duly verified copies of purchase orders.
 - KE shall be obligated to provide any additional information, if required, during the processing of the relevant adjustment request.
- xii. The approved monthly FCA shall be notified by the Authority and shall be charged in the month intimated by the Authority in the respective monthly FCA decision. The determined FCA shall be charged on the basis of units consumed by each consumer in the month for which it is calculated.
- xiii. K-Electric in its FCA request shall certify that data provided is accurate and plants have been operated following economic despatch.

Adjustment on quarterly basis.

- xiv. The impact of monthly variations in Million Rupees in KE own generation's fuel cost component to the extent of targeted T&D losses, not taken into account in the monthly FCAs, shall be adjusted on quarterly basis, i.e. approved respective monthly FCA times the total units sent out multiplied by the allowed level of T&D losses. The impact of these variations shall be worked out based on targeted units to be sold in the next quarter and shall be adjusted in the Schedule of Tariff of KE. Upon recovery of the allowed variations, this impact shall be reversed in the next quarterly adjustment.
- xv. Furthermore, in order to bring KE's tariff on current level of fuel prices, the KE own generation's fuel cost component shall be adjusted at the price level of last month of each quarter. The weighted average fuel cost of last month of quarter under consideration shall be

compared with the weighted average fuel cost of reference month of last quarter to work out this impact. The resultant variations in terms of Rs./kWh shall be adjusted in the SOT of KE. For the purpose of adjustment for the quarter July 01, 2016 to September, 2016, the fuel cost component of Rs.3.6998/kWh, calculated on units sold basis, shall be used as reference.

- xvi. The determined fuel cost component shall also be adjusted with the target of yearly T&D losses while making the adjustment for the quarter April-June every year.
- xvii. The aforesaid quarterly adjustments shall be made in the consumer end tariff using following yearly target of T&D losses;

FY	2016	2017	2018	2019	2020	2021	2022	2023
Loss Reduction (%)	22.10	20.90	19.80	18.75	17.76	16.80	15.95	15.36

- xviii. K-Electric shall submit the quarterly adjustment request within fifteen days (15), following the last month of each quarter.

MECHANISM FOR ADJUSTMENT OF FUEL PRICE VARIATIONS

Generation on Gas, F.O and Others at Bus Bar	Unit	Reference month	Current Month
Bin Qasim Power Station Unit-I Bin Qasim Power Station Unit-II Bin Qasim Power Station Unit-III Bin Qasim Power Station Unit-IV Bin Qasim Power Station Unit-V Bin Qasim Power Station Unit-VI Korangi Gas Turbine Power Station SITE Gas Turbine Power Station Bin Qasim Power Station-II CCPP Korangi Combined Cycle Power Station New Power Station(s)	GWh		
Total			
Price of Fuel			
Gas	(Rs/MMBTu)		
Furnace	(Rs/M.Ton)		
Others			
Approved Heat Rates at Bus Bar-Gas, F.O, Others			
Bin Qasim Power Station-I Bin Qasim Power Station Unit-II Bin Qasim Power Station Unit-III Bin Qasim Power Station Unit-IV Bin Qasim Power Station Unit-V Bin Qasim Power Station Unit-VI Korangi Gas Turbine Power Station SITE Gas Turbine Power Station Bin Qasim Power Station-II CCPP Korangi Combined Cycle Power Station New Power Station(s)	BTU/kWh		
Cost of Fuels (Gas, F.O, Total , Others)			
Bin Qasim Power Station-I Bin Qasim Power Station Unit-II Bin Qasim Power Station Unit-III Bin Qasim Power Station Unit-IV Bin Qasim Power Station Unit-V Bin Qasim Power Station Unit-VI Korangi Gas Turbine Power Station SITE Gas Turbine Power Station Bin Qasim Power Station-II CCPP Korangi Combined Cycle Power Station New Power Station(s)	Mln Rs.		
Total Cost of Fuel	Mln Rs.		
Weighted Average Cost- Current Month	Rs./kWh		
Less Weighted Average Cost- Reference Month	Rs./kWh		
Required Increase/Decrease- KE's Own Generation	Rs./kWh		

Annex-III

MECHANISM FOR ADJUSTMENT IN TARIFF
DUE TO VARIATION IN POWER PURCHASE PRICE ("PPP")

- 1. This mechanism shall be applicable to make adjustments in the PPP component of KE's tariff due to variation in fuel prices, energy mix, inflation, exchange rate etc. on monthly and quarterly basis.

Adjustment on Monthly Basis

- 2. The change in the fuel component of PPP due to variation in fuel prices and energy mix shall be passed on to the consumers of KE directly in their monthly bills in the form of FCA. Following steps shall be followed to calculate these variations;
 - i. The actual fuel cost of each power station/source, determined/approved by the Authority, shall be totaled to arrive at monthly total fuel cost of all the power stations.

$$TCoF_{(WPPP)} = CoF1 + CoF2 + \dots + CFN$$

TCoF_(WPPP) = Total Cost of Fuel in Million Rupees of all external generation sources

COF1 = Cost of Fuel in Million Rupees of 1st power plant/unit

COF2 = Cost of Fuel in Million Rupees of 2nd power plant/unit

COFN = Cost of Fuel in Million Rupees of Nth power plant/unit

- ii. The weighted average fuel cost of the PPP shall be worked out by dividing the total fuel cost with the total units sent out (both own generation and power purchases) by KE in that month.

$$WAFC (WG) = TCoF (WG) / TUSO$$

WAFC (WPPP) = Weighted Average Fuel cost of all external generation sources in Rs./kWh

TCoF (WPPP) = Total Cost of Fuel in Million Rupees of all external generation sources

TUSO = Total targeted Units Sent Out (KE's own generation+ Power Purchases) in GWh

- iii. The computed monthly weighted average fuel cost shall be compared with the reference weighted average fuel cost to compute the PPP fuel component part of FCA. The formula is produced below;

$$FCA-PPP = \{WAFC_{(WPPP)(CM)} - WAFC_{(WPPP)(RM)}\}$$

FCA-PPP = The required Increase/ (Decrease) in PPP's fuel cost component for the current month over the reference month to be reflected in the monthly bills of consumers as part of Fuel Charges Adjustment.

WAFC (WPPP) (CM) = Weighted Average Fuel cost component of PPP of the Current Month

WAFC (WPPP) (RM) = Weighted Average Fuel cost component of PPP of the Reference Month

- iv. For the purpose of above adjustment, the Current Month would mean the month for which adjustment is required and the Reference Month would mean the last month of the preceding quarter. For the purpose of adjustment for the months from July 01, 2016 to September, 2016, the fuel cost component of PPP of Rs. 2.2622/kWh, calculated on units sent out basis, shall be used as reference.
- v. The monthly adjustment shall be restricted to the fuel component of PPP and shall be passed on to the consumers as part of FCA in accordance with the above formula.
- vi. K-Electric shall, within seven days following the Current Month, request for FCA to compensate for variations in fuel component of PPP. The request shall be submitted on a prescribed format as provided in this Mechanism.

- vii. KE shall submit the following information/data for verification.
 - Complete monthly data showing power purchased in GWh, installed capacity, de-rated capacity, plant availability, power dispatched and system demand data.
 - Duly verified copies of invoices raised by each external source of power along with duly verified copies of their purchase orders/bill stickers.
 - K-Electric shall also provide separate workings/indexations for all the tariff components along with the applicable currency exchange rate, US CPI etc. in accordance with approved determination/power purchase agreement.
 - KE shall be directed for the provision of any additional information, if required, during the processing of relevant adjustment request

- viii. The approved monthly FCA shall be notified by the Authority and shall be charged in the month intimated by the Authority in the respective monthly decision. The determined FCA shall be charged on the basis of units consumed by each consumer in the month for which FCA is calculated.

Adjustment on quarterly basis.

- ix. The impact of monthly variations in Million Rupees in fuel cost component of PPP to the extent of targeted T&D losses, not taken into account in the monthly FCAs, shall be adjusted on quarterly basis. The impact of these variations shall be worked out based on targeted units to be sold in the next quarter and shall be adjusted in the SoT of KE. Upon recovery of the allowed variations, this impact shall be reversed.

- x. In addition, the monthly variations in Million Rupees in the variable O&M and fixed costs, as allowed by the Authority, shall be adjusted on quarterly basis using weighted average method on targeted units sold basis. The impact of these variations shall be worked out based on targeted units to be sold in the next quarter and shall be adjusted in the SoT of KE. Upon recovery of the allowed variations, this impact shall be reversed. For the purpose of these adjustments for the quarter July 01, 2016 to September, 2016, the O&M and capacity charges components of Rs. 1.5219/kWh, calculated on units sold basis, shall be used as reference.

- xi. Furthermore, in order to bring KE's tariff on current level of prices, each cost component of PPP shall be adjusted at the price level of last month of each quarter. The total weighted average PPP of last month of quarter under consideration shall be compared with the total weighted average PPP of reference month of the last quarter to work out this impact. For the purpose of these adjustments for the quarter July 01, 2016 to September, 2016, the PPP of Rs. 4.3819/kWh, calculated on units sold basis, shall be used as reference.
- xii. The determined PPP component shall also be adjusted with the target of yearly T&D losses while making the adjustments for the quarter April-June every year.
- xiii. The net quarterly variation in the power purchase cost (Fuel + Fixed part) shall be adjusted in the consumer end tariff based on the following yearly target of T&D losses.

FY	2016	2017	2018	2019	2020	2021	2022	2023
Loss Reduction (%)	22.10	20.90	19.80	18.75	17.76	16.80	15.95	15.36

- xiv. K-Electric shall submit the quarterly adjustment request within fifteen days (15), following the last month of each quarter. K-Electric shall be entitled to monthly/quarterly adjustment of PPP only from such sources whose tariffs are determined/approved by the Authority. The approved tariff of wind/solar power projects shall only be allowed variations on quarterly basis.
- xv. The actual payments in respect of WWF and WPPF to the IPPs shall be considered as pass through and shall be adjusted on yearly basis upon production of verifiable documentary evidences. Upon recovery of the same, the impact of these items shall be reversed.
- xvi. For the purpose of above adjustment the Current Quarter would mean the quarter for which adjustment is required and the Reference Quarter would mean the quarter preceding the Current Quarter.

- xvii. The approved quarterly adjustment in tariff along with the revised schedule of tariff shall be sent to GoP for notification.

MECHANISM FOR CALCULATIONS OF POWER PURCHASE COST VARIATIONS

Generation at Bus Bar	Unit	Reference month	Current Month
Tapal	GWh		
Gul Ahmed			
NTDC			
KANUPP			
PASMIC			
Others			
Total			
Rate of Power Purchase			
Rate of Power Purchase	Unit	Last month	Current Month
Tapal	Rs./ kWh		
Gul Ahmed			
NTDC			
KANUPP			
PASMIC			
Others			
Total			
Total Cost of Power Purchase			
Tapal	Mln. Rs.		
Gul Ahmed			
NTDC			
KANUPP			
PASMIC			
Others			
Weighted Average Cost- Current Month			
Weighted Average Cost- Current Month	Rs./kWh		
Weighted Average Cost- Reference Month			
Weighted Average Cost- Reference Month	Rs./kWh		
Required Increase/Decrease in the consumer end tariff			
Required Increase/Decrease in the consumer end tariff	Rs./kWh		

MECHANISM FOR ADJUSTMENT OF O&M, BAD DEBTS, BASE RATE
ADJUSTMENT COMPONENT, OTHER INCOME, DEPRECIATION AND RETURN
COMPONENTS

1. This mechanism shall be applicable to make adjustments in the O&M cost components of KE's tariff. The breakup of approved O&M cost components for the generation, transmission and distribution segments adjusted for FY 2016-17 of KE is indicated in the following table;

TABLE - I

O&M Component	Symbol	Component (Rs/kWh)
(1)	(2)	(3)
Generation owned by K-Electric	Go	0.4212
Transmission	To	0.2130
Distribution	Do	1.1369
Total Rate		1.7711

2. The productivity/efficiency factor (X factor) for future years as applicable to O&M component relating to each segment of transmission and distribution will be;

X factor = lower of 2% or 30% of change in CPI for Transmission functions and lower of 3% or 30% of change in CPI for Distribution function

3. The O & M component of each segment (Transmission and Distribution) of Tariff shall be varied to the extent of the change in CPI as per the following formula;

$$OMI = OMO * \{1 + ((CPN - CPO) / CPO) - X \text{ factor}\}$$

- OMI = Revised O&M Component of each segment
- OMO = Reference O&M Component of each segment
- CPN = New CPI (CPI General as notified by the Pakistan Bureau of Statistics for the month of May each year)
- CPO = Reference CPI (CPI General as notified by the Pakistan Bureau of Statistics for the month of May of the previous year)
- X = Respective efficiency factor, for the concerned component as per Para 2

4. The O&M component of Generation segment of Tariff shall be varied to the extent of the change in CPI as per the following formula;

$$OMI = OMO * \{1 + ((C_{PN} - C_{PO}) / C_{PO})\}$$

OMI	=	Revised O&M Component of Generation segment
OMO	=	Reference O&M Component of Generation segment
CPN	=	New CPI (CPI General as notified by the Pakistan Bureau of Statistics for the month of May each year)
CPO	=	Reference CPI (CPI General as notified by the Pakistan Bureau of Statistics for the month of May of the previous year)

5. For the purpose of initial indexation falling due on July 01, 2017 the new CPI will be that of May 2017, the previous O&M components of the tariff shall be as indicated in Table-1 above and the previous CPI shall be that of May, 2016 i.e. 205.99 as notified by the Federal Bureau of Statistics (FBS).
6. The above tabulated O&M components have been adjusted with T&D losses of 20.90% applicable for the financial year 2017. These components, after making aforesaid indexation, shall also be adjusted with yearly losses, as targeted in this determination. The formula for adjustment on new losses shall be as follows;

$$OM_{ADJ} = OMI * (1 - TL_{(PY)}) / (1 - TL_{(NY)})$$

OM _{ADJ}	=	Adjusted O&M Component to be applicable in the next year of each segment (Generation, Transmission & Distribution)
OM _I	=	Revised O&M Component of each segment (Generation, Transmission & Distribution)
TL _(PY)	=	Target of Losses in the Previous Year
TL _(NY)	=	Target of Losses in the Next Year

7. The adjusted O&M components of tariff resulting from application of CPI indexation and loss adjustment applicable from July 01, 2017 shall become the reference O&M component for application of indexation on July 01, 2018. The CPI as of May, 2017 shall become the previous CPI and the new CPI shall be that of May, 2018 for applying indexation on July 01, 2017. The same procedure will be repeated for the subsequent yearly indexation.
8. The aforesaid variation in the O&M components of tariff i.e. Generation, Transmission & distribution shall be aggregated to form the resulting variation in average sale rate that shall be applied to all categories of consumers.

9. The determined Return, Base Rate Adjustment, Other Income, Bad Debt and Depreciation components of the tariff of KE shall remain fixed throughout the control period, except for adjustment with the yearly target of T&D losses.

**SCHEDULE OF ELECTRICITY TARIFF
FOR K-ELECTRIC LIMITED
DETERMINED FOR THE FY 2016-17**

A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
a)	For Sanctioned load less than 5 kW			
i	Up to 50 Units	-		4.00
	For Consumption exceeding 50 Units			
ii	1- 100 Units	-		9.10
iii	101- 200 Units	-		10.70
iv	201- 300 Units	-		12.25
v	301- 700 Units	-		13.95
vi	Above 700 Units	-		16.30
b)	For Sanctioned load 5 kW & above			
	Time Of Use	-	16.50	12.27

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

Consumption exceeding 50 units but not exceeding 100 units will be charged under the 1-100 slab.

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

a) Single Phase Connections:

Rs. 75/- per consumer per month

b) Three Phase Connections:

Rs. 150/- per consumer per month

A-2 GENERAL SUPPLY TARIFF - COMMERCIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
a)	For Sanctioned load less than 5 kW			13.25
b)	For Sanctioned load 5 kW & above	400.00		12.50
c)	Time Of Use	400.00	16.50	12.27

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

a) Single Phase Connections;

Rs. 175/- per consumer per month

b) Three Phase Connections:

Rs. 350/- per consumer per month

A-3 GENERAL SERVICES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh
a)	General Services	-	13.45

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

a) Single Phase Connections;

Rs. 175/- per consumer per month

b) Three Phase Connections:

Rs. 350/- per consumer per month

B INDUSTRIAL SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kw/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
B1	Upto 25 kW (at 400/230 Volts)	-		13.50
B2(a)	25-500 kW (at 400 Volts)	400.00		12.65
B3(a)	For all loads upto 5000 KW (at 11,33 kV)	380.00		12.50
B4(a)	For all loads upto 5000 KW (at 66,132 kV)	360.00		12.00
	Time Of Use			
B1(b)	Upto 25 kW (at 400/230 Volts)	-	16.50	12.50
B2(b)	25-500 kW (at 400 Volts)	400.00	16.50	12.00
B3(b)	For All Loads up to 5000 kW (at 11,33 kV)	380.00	16.50	11.50
B4(b)	For All Loads (at 66,132 kV & above)	360.00	16.50	11.25
B5	For All Loads (at 220 kV & above)	340.00	16.50	10.50

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.

For B5 consumers there shall be a fixed minimum charge of Rs. 1000,000 per month.

C - SINGLE-POINT SUPPLY FOR PURCHASE IN BULK BY A DISTRIBUTION LICENSEE AND MIXED LOAD

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kw/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
C - 1	For supply at 400/230 Volts			
a)	Sanctioned load less than 5 kW	-		13.50
b)	Sanctioned load 5 kW & up to 500 kW	400.00		12.50
C - 2(a)	For supply at 11,33 kV up to and including 5000 kW	380.00		12.50
C - 3(a)	For supply at 132 and above, up to and including 5000 kW	360.00		12.00
	Time Of Use			
C - 1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	400.00	16.50	12.00
C - 2(b)	For supply at 11,33 kV up to and including 5000 kW	380.00	16.50	11.50
C - 3(b)	For supply at 132 kV up to and including 5000 kW	360.00	16.50	11.25

D - AGRICULTURE TARIFF

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kw/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
D-1	For all Loads	200.00		11.22
	Time of Use			
D-2	For all Loads	200.00	16.50	10.80

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

E - TEMPORARY SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kw/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
E-1(i)	Residential Supply	-		14.00
E-1(ii)	Commercial Supply	-		15.00
E-2 (i)	Industrial Supply	-		15.05
E-2 (ii)	Bulk Supply			
	(a) at 400 Volts	-		15.00
	(b) at 11 kV	-		14.98

For the categories of E-1(i&ii) and E-2 (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 Rs/kW/M	VARIABLE CHARGES Rs/kWh
	Street Lighting	-	13.90

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

H - RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh
	Residential Colonies attached to industrial premises	-	14.00

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

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
J -1	For supply at 66 kV & above and having sanctioned load of 20MW & above	360.00	12.00	
J-2	(a) For supply at 11,33 kV	380.00	12.50	
	(b) For supply at 66 kV & above	360.00	12.00	
J-3	(a) For supply at 11,33 kV	380.00	12.50	
	(b) For supply at 66 kV & above	360.00	12.00	
	Time Of Use			
J -1(b)	For supply at 66 kV & above and having sanctioned load of 20MW & above	360.00	16.50	11.25
J-2 (c)	For supply at 11,33 kV	380.00	16.50	11.50
J-2 (d)	For supply at 66 kV & above	360.00	16.50	11.25
J-3 (c)	For supply at 11,33 kV	380.00	16.50	11.50
J-3 (d)	For supply at 66 kV & above	360.00	16.50	11.25

**TERMS AND CONDITIONS OF TARIFF
(FOR SUPPLY OF POWER SPECIFIC TO EACH CONSUMER CATEGORY)**

PART-I

GENERAL DEFINITIONS

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

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

	<u>* PEAK TIMING</u>	<u>OFF-PEAK TIMING</u>
April to October (inclusive)	6.30 PM to 10.30 PM	Remaining 20 hours of the day
November to March (inclusive)	6.00 PM to 10.00 PM	-do-
* To be duly adjusted in case of day light time saving		

11. "Supply", means the supply for single-phase/three-phase appliances inclusive of both general and motive loads subject to the conditions that in case of connected or sanctioned load exceeding 4 kW supply shall be given at three-phase.
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).

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14. NTDCL means the National Transmission and Dispatch Company Limited.
 15. CPPA(G) means Central Power Purchasing Agency Guarantee Limited (CPPA)(G).
 16. The "Authority" means "The National Electric Power Regulatory Authority (NEPRA)" constituted under the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).

GENERAL CONDITIONS

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

PART-II

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

A-1 RESIDENTIAL

Definition

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

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

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

A-2 COMMERCIAL

1. This tariff is applicable for supply to commercial offices and commercial establishments such as:
 - i) Shops,
 - ii) Hotels and Restaurants,
 - iii) Petrol Pumps and Service Stations,
 - iv) Compressed Natural Gas filling stations,
 - v) Private Hospitals/Clinics/Dispensaries,
 - vi) Places of Entertainment, Cinemas, Theaters, Clubs;
 - vii) Guest Houses/Rest Houses,
 - viii) Office of Lawyers, Solicitors, Law Associates and Consultants, All Private Offices 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. All new connections having load requirement 5 kW and above shall be provided T.O.U meters and shall be billed under tariff A-2(c).

A-3 GENERAL SERVICES

- 1. This tariff is applicable to;
 - i. Approved religious and charitable institutions
 - ii. Government and Semi-Government offices and Institutions
 - iii. Government Hospitals and dispensaries
 - iv. Educational institutions
 - v. Water Supply schemes including water pumps and tube wells operating on three phase 400 volts other than those meant for the irrigation or reclamation of Agriculture land.

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

B INDUSTRIAL SUPPLY

Definitions

- 1. "Industrial Supply" means the supply for bona fide industrial purposes in factories including the supply required for the offices and for normal working of the industry.
- 2. For the purposes of application of this tariff an "Industry" means a bona fide undertaking or establishment engaged in manufacturing, value addition and/or processing of goods.
- 3. This Tariff shall also be available for consumers having single-metering arrangement such as;
 - i) Poultry Farms
 - ii) Fish Hatcheries and Breeding Farms and
 - iii) Software houses

Conditions

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

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

- 1. This tariff is applicable for supply to Industries having sanctioned load up-to 25 kW.
- 2. Consumers having sanctioned load up-to 25 kW shall be billed on single-part kWh rate.
- 3. All existing consumers under tariff B-1 shall be provided T.O.U metering arrangement by the Company and convert it to-B1 (b) Tariff.
- 4. 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-2 SUPPLY AT 400 VOLTS

1. This tariff is applicable for supply to Industries having sanctioned load of more than 25 kW up to and including 500 kW.
2. All existing consumers under tariff B-2 shall be provided T.O.U metering arrangement by the Company and converted to B-2(b) Tariff.
3. All existing consumers under tariff B-2 shall be billed on B-2(a) tariff till such time that they are provided T.O.U metering arrangement; thereafter such consumers shall be billed on T.O.U tariff B-2(b).
4. 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 existing consumers under tariff B-3 shall be provided T.O.U metering arrangement by the Company and converted to B-3(b) Tariff.
5. All existing consumers under tariff B-3 shall be billed on B-3(a) tariff till such time that they are provided T.O.U metering arrangement; thereafter such consumers shall be billed on T.O.U tariff B-3(b).
6. 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-4 SUPPLY AT 66 kV and 132 kV

1. This tariff is applicable for supply to Industries for all loads of more than 5000 kW receiving supply at 66 kV and 132 kV and also for Industries having load of 5000 kW or below who opt to receive supply at 66 kV or 132 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. 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

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Company. The recovery of cost of service connection shall be regulated by NEPRA Eligibility Criteria.

4. All existing consumers under tariff B-4 shall be provided T.O.U metering arrangement by the Company and converted to B-4(b) Tariff.
5. All existing consumers under tariff B-4 shall be billed on B-4(a) tariff till such time that they are provided T.O.U metering arrangement; thereafter such consumers shall be billed on T.O.U tariff B-4(b).
6. 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-5 SUPPLY AT 220 kV AND ABOVE

1. This tariff is applicable for supply to Industries for all loads of more than 5000 kW receiving supply at 220 kV and above and also for Industries having load of 5000 kW or below who opt to receive supply at 220 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. 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 the new industrial consumers shall be billed on the basis of ToU tariff B-5 given in the Schedule of Tariff.

C BULK SUPPLY

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

General Conditions

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

C-I SUPPLY AT 400/230 VOLTS

1. This Tariff is applicable to a consumer having a metering arrangement at 400/230 volts, having sanctioned load of up to and including 500 kW.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. C-I(a) tariff.
3. All new consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangement and shall be billed on the basis of Time-of-Use (T.O.U) tariff C-1(c) given in the Schedule of Tariff.
4. All the existing consumers governed by this tariff having sanctioned load 5 kW and above shall be provided T.O.U metering arrangements.

5. All existing consumers under tariff C-1 having sanctioned load 5 kW and above shall be billed on C-1(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 C-1(c).

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)
5. All existing consumers under tariff C-2 shall be billed on C-2(a) tariff till such time that they are provided T.O.U metering arrangement; thereafter such consumers shall be billed on T.O.U tariff C-2(b).

C-3 SUPPLY AT 66 kV, 132 kV AND ABOVE

1. This tariff is applicable to consumers having sanctioned load of more than 5000 kW receiving supply at 66 kV, 132kV and above.
2. If the Grid Station required for provision of supply falls within the purview of the dedicated system under the NEPRA Eligibility Criteria, the supply under this Tariff shall not be available to such a prospective consumer unless he provides, to the satisfaction and approval of the Company, an independent grid station of his own including Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively, pays to the Company for all such Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus if so provided and installed by the Company. The recovery of cost of service connection shall be regulated by NEPRA Eligibility Criteria.
3. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to C-3(b).
4. All existing consumers under tariff C-3 shall be billed on C-3(a) tariff till such time that they are provided T.O.U metering arrangement; thereafter such consumers shall be billed on T.O.U tariff C-3(b).
5. 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) Bona fide forests, agriculture tube-well and lift irrigation pumps for irrigation of agricultural land.
 - ii) Tube-Wells meant for aqua-culture, viz. fish farms, fish hatcheries and fish nurseries.

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- iii) 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 For all loads

D-2 Time of Use for all loads

1. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. D-1 tariff given in the Schedule of Tariff.
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- 2 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 and shall be governed by D-1 till that time.

E -1 TEMPORARY RESIDENTIAL/COMMERCIAL SUPPLY

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

Special Conditions of Supply

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

E -2 TEMPORARY INDUSTRIAL SUPPLY

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

SPECIAL CONDITIONS OF SUPPLY

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

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

F SEASONAL INDUSTRIAL SUPPLY

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

Definitions

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

Special Conditions of Supply

1. This tariff is applicable to seasonal industry.
2. Fixed Charges per kilowatt per month under this tariff shall be levied at the rate of 125% of the corresponding regular Industrial Supply Tariff Rates and shall be recovered only for the period that the seasonal industry actually runs subject to minimum period of six consecutive months during any twelve consecutive months. The condition for recovery of Fixed Charges for a minimum period of six months shall not, however, apply to the seasonal industries, which are connected to the Company's Supply System for the first time during the course of a season.
3. The consumers falling within the purview of this Tariff shall have the option to change over to the corresponding industrial Supply Tariff, provided they undertake to abide by all the conditions and restrictions, which may, from time to time, be prescribed as an integral part of those Tariffs. The consumers under this Tariff will have the option to convert to Regular Tariff and vice versa. This option can be exercised at the time of obtaining a new connection or at the beginning of the season. Once exercised, the option will remain in force for at least one year.
4. All seasonal loads shall be disconnected from the Company's Supply System at the end of the season, specified by the consumer at the time of getting connection, for which the supply is given. In case, however, a consumer requires running the non-seasonal part of his load (e.g., lights, fans, tube-wells, etc.) throughout the year, he shall have to bring out separate circuits for such load so as to enable installation of separate meters for each type of load and charging the same at the relevant Tariff.
5. Where a "Seasonal Supply" consumer does not come forward to have his seasonal industry re-connected with the Company's Supply System in any ensuing season, the service line and equipment belonging to the Company and installed at his premises shall be removed after expiry of 60 days of the date of commencement of season previously specified by the consumer at the time of his obtaining new connection/re-connection. However, at least ten clear days notice in writing under registered post shall be necessary to be given to the consumer before removal of service line and equipment from his premises as aforesaid, to enable him to decide about the retention of connection or otherwise. No Supply Charges shall be recovered from a disconnected seasonal consumer for any season during which he does not come forward to have his seasonal industry re-connected with the Company's Supply System.

G PUBLIC LIGHTING SUPPLY

“Public Lighting Supply” means the supply for the purpose of illuminating public lamps.

Definitions

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

Special Conditions of Supply

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

H RESIDENTIAL COLONIES ATTACHED TO INDUSTRIES

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

Definitions

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

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

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

Special Conditions of Supply

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

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

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

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

- iii. To an Authorized agent within the meaning of NEPRA (Supply of Power) Regulations 2015, procuring power from the K-Electric for further supply within the service territory and jurisdiction of the K-Electric

J-1 SUPPLY TO LICENSEE

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

SUPPLY UNDER O&M AGREEMENT

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

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

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

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

SUPPLY TO AUTHORIZED AGENT

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

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

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

- 1. This tariff is applicable to an authorized agent receiving supply at 66 kV & above.

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

CLAWBACK MECHANISM FOR PROFIT SHARING WITH THE CONSUMERS

1- K-Electric Limited shall, on yearly basis and within the first week of January, submit the proposed adjustment of tariff arising out of the transfer of a portion of the profits of the preceding financial year to consumers according to the Claw-Back formula as provided hereunder along with the basis of the calculations supported with the relevant audited financial statements:

CLAWBACK FORMULA

2- To the extent that the Annual Return on the Average Regulatory Asset Base (hereinafter referred to as “Average RAB”) exceeds the limits prescribed hereunder the surplus return shall be shared with consumers through a reduction in tariff, in annual sharing proportions as set out below:

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
25% to be shared with consumers	23.40% - 26.40%	18.95% - 21.95%	13.31% - 16.31%	11.17% - 14.17%	11.04% - 14.04%	11.04% - 14.04%	11.54% - 14.54%
50% to be shared with consumers	26.41% - 29.40%	21.96% - 24.95%	16.32% - 19.31%	14.18% - 17.17%	14.05% - 17.04%	14.05% - 17.04%	14.55% - 17.54%
75% to be shared with consumers	Above 29.41%	Above 24.96%	Above 19.32%	Above 17.18%	Above 17.05%	Above 17.05%	Above 17.55%

3- The Annual Return on the RAB shall be respective year’s Earnings Before Interest and Tax (hereinafter referred to as “EBIT”) divided by the Average RAB. Method for calculation of both EBIT and Average RAB are mentioned is hereunder;

4- EBIT shall be worked out according to formula mentioned hereunder;

Earning Before Interest and Tax as per the financial Statement

- Add :Provision for Doubtful debt
- Add Any other provision/expenses charged by the Petitioner that the Authority considers unjustified
- Add Depreciation charged to P&L with revaluation
- Less Write-offs amount allowed by the Authority for respective year
- Less Depreciation for the year on Cost Basis
- Less Late Payment Surcharge (LPS)
- Less Any Cost Allowed as Pass-Through by the Authority (e.g. Corporate Tax Paid, WWF, WPPF, etc.)

EBIT for the Purpose of application of Claw back

5- Average RAB

Average RAB shall be worked out according to the following formula;

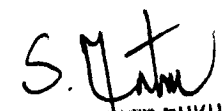
	Fixed Assets Without Revaluation(O/B)
Add	Additions during the Year
Less	Accumulated Depreciation on cost
=	Net Fixed Assets
Add	WIP on Cost (C/B)
Less	Deffered Revenue (Consumer financed Asset)
=	Regulatory Asset Base (RAB)
Average RAB = ((Current RAB + Last Year RAB) / 2)	

The decrease in average sale rate (S_{ICB}) will be calculated as under.-

$$(S_{ICB}) = \frac{Ps}{U_{ST}}$$

Where Ps = The aggregate profit to be transferred to the consumers calculated in according with the methodology as discussed earlier.
U_{ST} = Estimated units expected to be sold during the twelve months following the date of decision of the Authority.

- 6- The above reduction shall be applied uniformly to all classes of consumer categories (excluding Life Line Consumers) directly in their monthly bills vide Authority's separate decision in this regard.
- 7- The Authority shall make its determination, after the completion of the procedural requirements, as soon as possible but not later than Forty five (45) days of the receipt of the request for reduction in rates and shall notify the same in the official gazette.
- 8- In case, K-Electric does not submit a request for tariff adjustment in a certain year, the Authority shall review the audited financial statements on its own and approve a tariff reduction, based on the aforementioned formulae, required to be passed on to the consumers, based on the respective proportion of profits.
- 9- The decrease in consumer class-wise tariff shall be allowed in terms of paisas per kWh rounded to two decimal places.
- 10- K-Electric shall not carry out any adjustment in the consumer end tariff unless allowed, approved or directed by the Authority.


SYED MATEEN AHMED BUKHARI
 Section Officer
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