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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-362/K-Electric-2016/21811-21813

November 11, 2022

Subject: Decision of the Authority in the matter of Motion filed by the Federal Government under Section 7 & 31 of the NEPRA Act 1997 read with Rule 17 of the NEPRA (Tariff Standards and Procedure) Rules, 1998 with respect to recommendation of Consumer end Tariff for K-Electric [Case # NEPRA/TRF-362/K-Electric-2016]

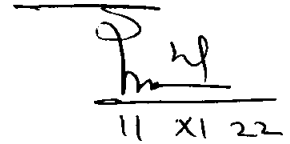
Dear Sir,

Please find enclosed herewith the subject decision of the Authority along with Schedule of Electricity Tariff (Annex-I) (05 Pages).

2. The Decision is being intimated to the Federal Government for the purpose of notification in the official Gazette pursuant to Section 31 (7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

3. The instant decision along-with Schedule of Electricity Tariff (Annex-I) is to be notified in the official Gazette.

Enclosure: As above



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(Syed Safer Hussain)

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

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.



Decision of the Authority regarding motion filed by the Federal Government under Section 7 & 31 of the NEPRA Act 1997 read with Rule 17 of the NEPRA (Tariff standards and procedure) Rules, 1998 with respect to recommendation of Consumer end tariff for K-Electric

DECISION OF THE AUTHORITY IN THE MATTER OF MOTION FILED BY THE FEDERAL GOVERNMENT UNDER SECTION 7 & 31 OF THE NEPRA ACT 1997 READ WITH RULE 17 OF THE NEPRA (TARIFF STANDARDS AND PROCEDURE) RULES, 1998 WITH RESPECT TO RECOMMENDATION OF CONSUMER END TARIFF FOR K-ELECTRIC

1. NEPRA determined quarterly tariff adjustments of XWDISCOs for the 3rd quarter of FY 2021-22, vide decision dated July 29, 2022, whereby the Authority allowed a uniform quarterly adjustment of Rs.0.5087/kWh for all categories of consumers except life line consumers. The said determination was notified by the Authority vide SRO.1587(I)/2022 dated 23rd August 2022, to be recovered in three months period w.e.f. September 01, 2022.
2. Pursuant to the above, the Federal Government vide letter No.F.Tariff/PIII-3(2)/2009 dated October 24, 2022, has submitted a Motion with respect to recommendation of consumer end tariff of K-Electric (**the Motion**), under Sections 7 & 31 of NEPRA Act, read with Rule 17 of NEPRA Tariff (Standards and Procedure) Rules, 1998.
3. The Federal Government in the Motion submitted that NEPRA determined the Multi Year Tariff of K-Electric vide its decision dated July 05, 2018, duly notified by the Federal Government on May 22, 2019. Subsequently, various quarterly tariff adjustments for KE were determined by the Authority. The last quarterly adjustment was notified by Federal Government vide SRO 1037(1)12020 as amended vide SRO Nos. 192(I)/2021, 1429(I)/2021, 1004(I)/2021 and 1175(I)/2022, to maintain uniform tariff in the Country.
4. It has further been submitted that the Authority has determined Periodic Adjustment in Tariff for the 3rd Quarter of FY 2021-22 for XWDISCOs having uniform rate of Rs.0.5087/unit for three months period and same has been notified vide SRO No. 1587(I)/2022 dated 23rd August 2022. In accordance with the National Electricity Policy, 2021, the Government may maintain a uniform consumer-end tariff for K-Electric and state-owned distribution companies (even after privatization) through incorporation of direct / indirect subsidies. Accordingly, K-Electric applicable uniform variable charge is also required to be modified so as to recover the revenue requirements of KE, determined by the Authority consistent with the uniform national tariff of XWDISCOs. The same has been approved by the Federal Government and it was decided that the same be submitted to the Authority for consideration in terms of the provisions of the Act.
5. In light of the above, instant Motion is being filed by the Federal Government with respect to Consumer End Tariff Recommendations of K-Electric, under section 7, 31 (4) and 31 (7) of the Act read with Rule 17 of the Rules so as to reconsider and issue for K-Electric, modified uniform variable charge, to maintain uniform tariff across the country, to recover the revenue requirements of K-Electric determined by the Authority keeping in view the proposed targeted subsidy and cross subsidies.

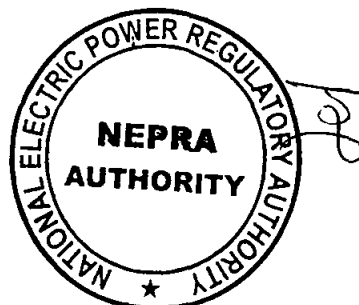
As Motion

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6. In view thereof, the Authority has been requested to issue separate SoT with prospective application of applicable uniform rates after incorporating tariff rationalization. Such adjustment shall be applicable on the consumption of September 2022, October 2022 and November 2022 to be recovered from consumers in November 2022, December 2022 and January 2023, respectively. The Federal Government also sought an opportunity of hearing in the matter.
7. The Authority in order to provide a fair opportunity to the Federal Government to present its case, and all the relevant stakeholders involved, decided to conduct a hearing in the matter, which was held 08.11.2022 at NEPRA Tower Islamabad and through ZOOM. Notice of hearing was published in newspapers on 01.08.2022; Individual notices were also sent to the relevant stakeholders.
8. During the hearing, the Federal Government was represented by Joint Secretary (PF), Ministry of Energy (MoE) (Power Division), along-with other representative from MoE and CPPA-G. K-Electric, and general public were also present during the hearing.
9. The Federal Government during the hearing reiterated its submissions made in the Motion and submitted that NEPRA determined Quarterly adjustment of XWDISCOs for the 3rd quarter for the FY 2021-22 of Rs.0.5087/kWh. Pursuant to notification of XWDISCOs, the MoE has filed the Motion with respect to recommendation of consumer end tariff, to charge the same amount from the consumer of K-Electric to make tariff uniform. Upon inquiry from the Authority to apply the quarterly adjustments determined for XWDISCOs, automatically to K-Electric at the time of its determination, the MoE submitted that XWDISCOs quarterly adjustments are determined and notified by the Authority, so the same is applied automatically. However, in case of K-Electric, for the purpose of making the tariff uniform, approval is sought from the Federal Government.
10. Mr. Tanvir Bari, representing KCCI submitted during the hearing that the proposed adjustment of Rs.0.5087/kWh may not be charged from the consumers of K-Electric. The MoE in response submitted that currently the determined tariff of K-Electric is around Rs.43/kWh, whereas its present applicable tariff is around Rs.26/kWh, thus resulting in annual subsidy of around Rs.291 billion.
11. Upon submissions of Mr. Arif Bilwani that tariff of K-Electric vs rest of the DISCOs is not uniform to the extent of monthly FCAs, the MoE explained that for making monthly FCAs of KE and XWDISCOs uniform, a summary has been prepared and once approved by the Federal Government, the same would be submitted for consideration of the Authority.
12. The Authority has considered the submissions made the Federal Government in the Motion and during the hearing. The Authority noted that the instant Motion has been filed by the Federal Government to make the tariff uniform across the country keeping in view the



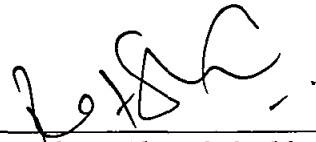


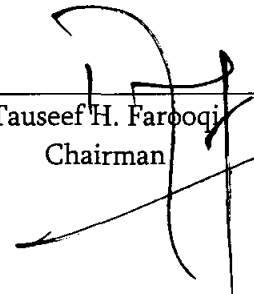
National Electricity Policy 2021. The Authority further observed that despite the proposed increase of Rs.0.5087/kWh for all categories of the consumers except life line, the Federal Government would be picking up subsidy of around Rs.291 billion as explained by the Government during the hearing. In view of the above, the Authority has decided to accept the Motion filed by the Federal Government.

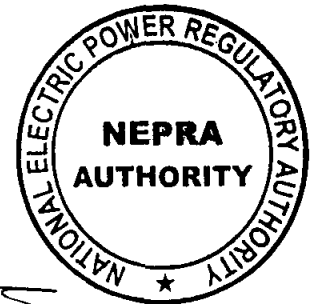
13. The Authority has also accepted the request of the Federal Government to issue a separate SoT for the allowed increase of Rs.0.5087/kWh for all categories of consumers except life line, the same is attached herewith as **Annex-I**, to be applicable for a period of three months November 2022, December 2022 to January 2023, on the consumption of September 2022, October 2022 and November 2022 respectively. The amount so allowed shall be accounted for by K-Electric in its subsidy claims. The Federal Government is also requested to adjust this amount while processing the subsidy claims of K-Electric.
14. The instant decision along-with **Annex-I** is intimated to the Federal Government for notification in terms of Section 31(7) of the Act.

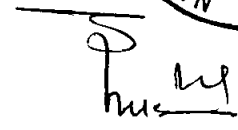
AUTHORITY


Engr. Maqsood Anwar Khan
Member


Rafique Ahmed Shaikh
Member


Tauseef H. Farooqi
Chairman




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**SCHEDULE OF ELECTRICITY TARIFF
FOR K-ELECTRIC LIMITED**

Annex I

Sr. No.	TARIFF CATEGORY / PARTICULARS	TOTAL VARIABLE CHARGES Rs/kWh		
		Peak	Off-Peak	
Protected	a) For Sanctioned load less than 5 kW			
	i Up to 50 Units - Life Line		-	
	ii 51 - 100 Units - Life Line		-	
	iii 001 - 100 Units		0.5087	
	iv 101 - 200 Units		0.5087	
	Unprotected	v 001- 100 Units		0.5087
		vi 101- 200 Units		0.5087
		vii 201- 300 Units		0.5087
		viii 301- 400 Units		0.5087
		ix 401- 500 Units		0.5087
		x 501- 600 Units		0.5087
		xi 601- 700 Units		0.5087
xii Above 700 Units			0.5087	
b) For Sanctioned load 5 kW & above				
Time Of Use		0.5087	0.5087	

A-2 GENERAL SUPPLY TARIFF - COMMERCIAL

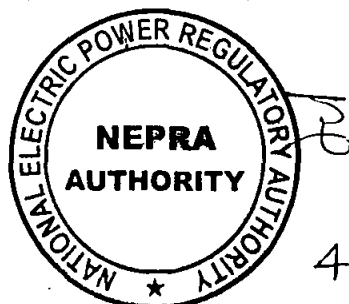
Sr. No.	TARIFF CATEGORY / PARTICULARS	TOTAL VARIABLE CHARGES Rs/kWh	
		Peak	Off-Peak
a)	For Sanctioned load less than 5 kW		0.5087
b)	For Sanctioned load 5 kW & above		0.5087
c)	Time Of Use	0.5087	0.5087
d)	Electric Vehicle Charging Station		0.5087

A-3 GENERAL SERVICES

Sr. No.	TARIFF CATEGORY / PARTICULARS	TOTAL VARIABLE CHARGES Rs/kWh
a)	General Services	0.5087

B INDUSTRIAL SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	TOTAL VARIABLE CHARGES Rs/kWh	
		Peak	Off-Peak
B1	Upto 25 kW (at 400/230 Volts)		0.5087
B2(a)	25-500 kW (at 400 Volts)		0.5087
B3(a)	For all loads upto 5000 KW (at 11,33 kV)		0.5087
B4(a)	For all loads upto 5000 KW (at 66,132 kV)		0.5087
	Time Of Use		
B1(b)	Upto 25 kW (at 400/230 Volts)	0.5087	0.5087
B2(b)	25-500 kW (at 400 Volts)	0.5087	0.5087
B3(b)	For All Loads up to 5000 kW (at 11,33 kV)	0.5087	0.5087
B4(b)	For All Loads (at 66,132 kV & above)	0.5087	0.5087
B5	For All Loads (at 220 kV & above)	0.5087	0.5087



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C - SINGLE-POINT SUPPLY

Sr. No.	TARIFF CATEGORY / PARTICULARS	TOTAL VARIABLE CHARGES Rs/kWh	
C -1	For supply at 400/230 Volts		
a)	Sanctioned load less than 5 kW	0.5087	
b)	Sanctioned load 5 kW & up to 500 kW	0.5087	
C -2(a)	For supply at 11,33 kV up to and including 5000 kW	0.5087	
C -3(a)	For supply at 132 and above, up to and including 5000 kW	0.5087	
	Time Of Use	Peak	Off-Peak
C -1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	0.5087	0.5087
C -2(b)	For supply at 11,33 kV up to and including 5000 kW	0.5087	0.5087
C -3(b)	For supply at 132 kV up to and including 5000 kW	0.5087	0.5087

D - AGRICULTURE TARIFF

Sr. No.	TARIFF CATEGORY / PARTICULARS	TOTAL VARIABLE CHARGES Rs/kWh	
D-1	For all Loads	0.5087	
	Time of Use	Peak	Off-Peak
D-2	For all Loads	0.5087	0.5087

E - TEMPORARY SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	TOTAL VARIABLE CHARGES Rs/kWh	
E-1(i)	Residential Supply	0.5087	
E-1(ii)	Commercial Supply	0.5087	
E-2 (i)	Industrial Supply	0.5087	
E-2 (ii)	Bulk Supply		
	(a) at 400 Volts	0.5087	
	(b) at 11 kV	0.5087	

G- PUBLIC LIGHTING

Sr. No.	TARIFF CATEGORY / PARTICULARS	TOTAL VARIABLE CHARGES Rs/kWh	
	Street Lighting	0.5087	

H - RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES

Sr. No.	TARIFF CATEGORY / PARTICULARS	TOTAL VARIABLE CHARGES Rs/kWh	
	Residential Colonies attached to industrial premises	0.5087	

