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No. NEPRA/R/ADG(Trf)/TRF-362/K-Electric-2016/9290-9292

June 8, 2022

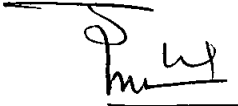
Subject: **Decision of the Authority in the matter of Quarterly Adjustments of K-Electric Limited for the Quarters ended March 2021 and June 2021 [Case # NEPRA/TRF-362/K-Electric-2016]**

Dear Sir,

Please find enclosed herewith the subject decision of the Authority along with quarterly Schedules of Tariffs (SoTs) (20 Pages).

2. The decision is being sent to the Federal Government for intimation and action, if any, by the Federal Government under Proviso (ii) of Section 31(7) of NEPRA Act, before its notification by NEPRA pursuant to the said Proviso of Section 31(7) of NEPRA Act, 1997.

Enclosure: As above



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(Syed Safer Hussain)

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

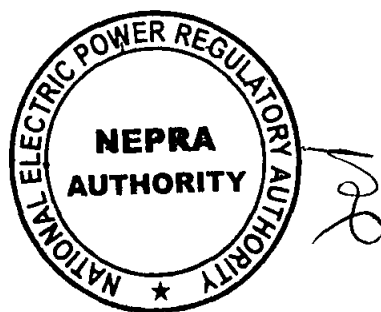
CC:

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

**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY ADJUSTMENTS OF
K-ELECTRIC LIMITED FOR THE QUARTERS ENDED MARCH 2021 AND JUNE 2021**

Background

1. Pursuant to the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997, and as per the mechanism for monthly, quarterly and annual adjustments provided in the tariff determination of K-Electric Limited (herein referred to as "K-Electric or KE") dated July 05, 2018, duly notified in the Official Gazette vide SRO No. 576(I)/2019 dated May 22, 2019, the Authority has to review and revise the approved tariff on monthly, quarterly and annual adjustments.
2. As per the mechanism provided in the determination, the impact of change in KE's own generation fuel cost component due to variation in fuel prices, generation mix and volume shall be passed on to the consumers directly in their monthly bills in the form of Fuel Charges Adjustment (FCA). Similarly, the impact of change in the fuel component of Power Purchase Price (PPP) due to variation in fuel prices and energy mix shall also be passed on to the consumers through monthly FCA.
3. However, the impact of monthly variations in K-Electric's own generation's fuel cost component as well power purchase price to the extent of targeted T&D losses, not taken into account in the monthly FCAs, has to be adjusted on quarterly basis. In addition, the monthly variations in the variable O&M and fixed costs of the PPP, as allowed by the Authority, are required to be adjusted on quarterly basis. The impact of these variations is to be worked out based on targeted units to be sold in the next quarter and to be adjusted in the SoT of K-Electric. The actual payments in respect of WWF, WPPF etc. to the IPPs being pass through are to be adjusted on yearly basis upon production of verifiable documentary evidence.
4. Pursuant to notification of the determined MYT, K-Electric filed its Quarterly Adjustments requests on account of Power Purchase Price (PPP), indexation of O&M costs, adjustment of T&D losses etc. for the quarters January-March 2021 & April-June 2021 along with supporting documents. In addition, K-Electric also requested write-offs for the FY 2021 amounting to Rs.15,900 million (Gross). The net amount claimed by K-Electric, after accounting for the recovery made through write off component built in the MYT tariff 2017 i.e. Rs.3,597 million, is Rs.12,303 million. Subsequently, the write off request was revised to Rs.16,040 million by K-Electric.
5. A summary of the quarterly adjustment requests filed by K-Electric for the quarters Jan- Mar 2021 to Apr – Jun 2021 is as under;

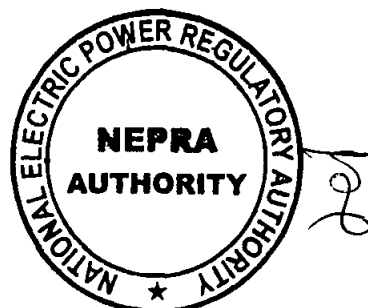


| Quarterly Adjustments | |
|-----------------------|---------|
| Quarter | Rs./kWh |
| Jan - Mar 2021 | 0.366 |
| Apr - Jun 2021 | 0.712 |

* Includes Gross write off claim of Rs.15,900 million.

Hearing

6. Since the impact of any adjustments has to be made part of the consumer end tariff, therefore, the Authority, in order to provide an opportunity of hearing to all the concerned and meet the ends of natural justice, decided to conduct a hearing in the matter.
7. The hearings were accordingly held on July 28, 2021 & September 02, 2021, through ZOOM for the quarter ending March & June 2021 respectively. The advertisement for hearing was published in newspapers and separate notices were also sent to the stakeholders for inviting comments from the interested/ affected parties. Salient features and details of the proposed adjustments along-with with notice of hearing were also uploaded on NEPRA's Website for information of all concerned.
8. Following issues were framed for discussion during the hearing;
 - i. Whether the requested quarterly variations are justified?
 - ii. Whether there is a need to revise the fixed charges currently applicable on different categories of consumers?
 - iii. Whether Category "J-Special Contracts" should continue keeping in view amendments in NEPRA (Supply of Electric Power) Regulations, 2015 and amended NEPRA Act 2018?
 - iv. Whether there should be any amendment in Terms and Conditions of Tariff (for Supply of Electric Power to Consumers by Supply Licensees) keeping in view the changes in Consumer Service Manual?
9. K-Electric, in its adjustment requests, has certified that it despatches as per Economic Merit Order from its own generation units (with the available fuel resources) and import from external sources. It also certified that the cost of fuel and power purchase claims do not include any amount of late payment surcharge/mark-up/interest.
10. K-Electric provided the plant wise generation statistics sheet, signed by K-Electric employees. The plant wise statistic sheets provide information in terms of Plant Capacity, Actual Units Generated, Actual Auxiliary consumption, Net Generation and Bus Bar sent outs, Actual Heat Rates, fuel consumption & cost of Fuel and Generation cost per unit. In addition K-Electric also provided copies of invoices raised by Fuel Suppliers and copies of invoices raised by IPPs. The Authority also asked for certain additional information from K-Electric with respect to actual calorific value of RFO consumed, status of fuel supply agreements, Audited accounts of IPPs,

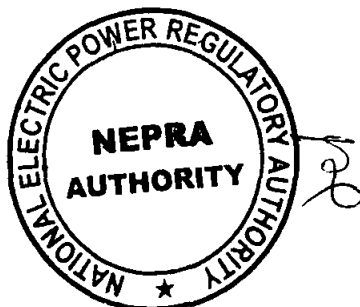


plant utilization factors, detail of penalties imposed on external power sources, consumer wise details of write-offs etc.

11. The Authority based on the information, data and record provided by K-Electric, has analyzed the quarterly adjustments of K-Electric and accordingly discussion on the issues pertaining to quarterly adjustment is as under;

Issue: Whether the requested quarterly variations are justified?

12. While going through the data / information provided by K-Electric regarding quarterly adjustments, the Authority's observations are as under;
13. The Authority while going through the data / information provided by K-Electric observed that as per Clause 6, Billing and Payments, sub clause 6.01 of the PPA executed by K-Electric with KANUPP, for the energy supplied / purchased by KANUPP of KESC, as the case may be, bills shall be raised separately, but payment shall be made on net output basis. K-Electric, however, in its adjustment claims has included cost of energy purchased from KANUPP on gross basis i.e. without netting it off for the energy exported to KANUPP. The Authority, therefore, in line with clause 6.01 of the Agreement, has adjusted the energy as well as cost of KANUPP on net output basis.
14. The Authority in order to work out the amount of adjustments claimed by K-Electric for the energy purchased from National Grid, obtained details of actual Power Purchase cost from CPPA-G for the cost it billed to KE for the relevant period. The Authority noted that as per the information submitted by CPPA-G, the energy claimed by K-Electric, is in reconciliation with the energy reported by CPPA-G. Similarly, the amount of variable O&M and Capacity charges, claimed by K-Electric is in reconciliation with the numbers reported by CPPA-G. For the additional 150 MW through wind power plants, the Authority observed that K-Electric had disputed the amount of Capacity charges billed by CPPA-G to K-Electric; the Authority vide decision dated 15.12.2020, decided that CPPA-G should restrict the MDI to 150 MW for the purpose of allocation of capacity charges. In view thereof, the Capacity charges, UoS and Market Operator Fee to the extent of 150 MW have been included in the adjustment requests, as claimed by K-Electric. However, in case CPPA-G claims a different amount in light of the decision of the Authority, the variations if any, would be adjusted in the subsequent quarterly adjustments of K-Electric.
15. The Authority vide letter dated 16th December 2019 issued approval of PAC between K-Electric and IIL for three years from 18th April 2017 to 17th April 2020. Upon expiry of the same, K-Electric vide letter dated 6th August 2020, submitted the Power Acquisition Request (PAR), seeking permission to procure power from IIL for another 3 years under Interim Power Procurement Regulation 2005 (IPPR-2005) w.e.f 18th April 2020. Since the said PAR has been approved by the Authority vide decision dated June 7, 2021, therefore, any adjustment if



required in this regard would be considered in the subsequent quarterly adjustments of K-Electric.

16. For the energy supplied by Gharo Solar for the period from January 2021 to June 2021, the claimed cost i.e. Rs.496.4 million, whereas, amount of Rs. 494.76 has been considered after accounting for the NPMV in January 2021 & May 2021.

Lotte Chemical Pvt. Ltd

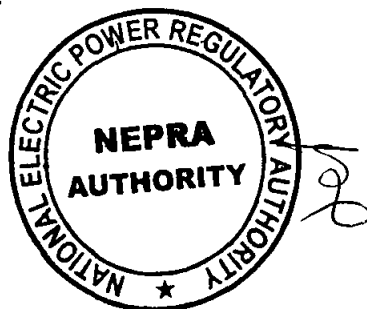
17. For the energy supplied by Lotte Chemical Pvt. Ltd (LCPL), for the period from January 2021 to June 2021, the claimed cost is Rs.42.752 million. In addition K-Electric has requested Rs.0.8664 million on account of previous adjustment for the period January 2021 to March 2021 on account of difference in Variable O&M. The above amounts being related with the period under consideration have accordingly been included as part of the current costs for the period January to March 2021.

Previous adjustment for Lotte Chemical Pvt. Ltd

18. A previous adjustment amounting to Rs. 0.5526 million for the period November and December 2020 has been claimed by K-Electric for Lotte Chemical, due to revision in variable O&M. The same has been considered as part of the pervious adjustment in the quarter ended March 2021.

Current cost of SNPC & SNPC II

19. The Authority in the matter of Review Motions filed by SNPC and SNPC-II, against determination of the Authority dated December 31, 2019 in the matter of Quarterly Adjustment of K-Electric, decided as under;
- a) *“to re-determine/ modify the tariff awarded to the petitioner vide decision dated August 04, 2017, for which separate proceedings shall be carried out by the Authority. The Petitioner, is accordingly directed, in terms of Section 44 of NEPRA Act, to provide complete details in this regard.*
- b) *to provisionally allow the Petitioner its debt servicing and Insurance component, as per its reference generation tariff dated August 04, 2017.....”*
20. Subsequently, the Authority vide decisions dated March 01, 2021 & April 27, 2021, provisionally approved quarterly indexation/adjustment for the Debt servicing component & O&M of Tariff of SNPC and SNPC-II for the period January 2021 to June 2021 subject to adjustment/refund, if necessary, in the light of final decision(s) of the Authority.
21. Based on the above decisions of 01.03.2021 and 27.04.2021, provisional Capacity Cost of SNPC & SNPC II works out as Rs.986.488 million, whereas, the KE claimed amount is Rs.989.23 million. The difference of Rs.2.74 million is in March 2021 due to difference in non-debt capacity component, whereby, KE in its claim has included Fixed O&M as Rs.0.5/kWh, instead of NEPRA allowed Rs.0.4636/kWh.



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22. Here it is pertinent to mention that the Authority vide two different decisions dated June 4, 2021 has approved revision of Net Capacity & Heat Rate of SNPC & SNPC II. Pursuant thereto the Authority vide decisions dated September 21, 2021 approved revised reference capacity components based on revised net capacity. However, the same has not yet been notified by the Federal Government, therefore any adjustment in this regard shall be made subsequently.

Adjustment on account of Wheeling Charges of STDC for July 19 to Mar 20

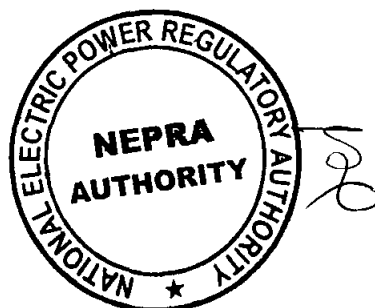
23. K-Electric has claimed Rs.314.548 million for STDC for the period July 19 to Mar 20. The Authority during the determination of Quarterly Adjustment for the quarter ending June 19 to Mar 20 noted that as per the data / information provided by K-Electric, STDC had not raised any invoices on account of wheeling charges from July 2019 onward, however, K-Electric, also included wheeling charges of STDC in its quarterly adjustment requests for the period from July 2019 onward. The Authority had decided not to consider any such costs as part of the adjustments owing to non-receipt of invoices from STDC and that the same would be considered in the subsequent adjustment requests of K-Electric, once STDC raises its invoices of wheeling charges.
24. STDC subsequently has raised invoices based on which KE has requested an amount of Rs.314.548 million on account of STDC cost for the period Jul 19 – Mar 20. However, the Authority upon verification of the invoices could only verify an amount of Rs.311.154 million. In view thereof, an amount of Rs.311.154 is being allowed on provisional basis subject to adjustment based on any future decision of the Authority in the matter.

Cost of Furnace Oil (FO) of BQPS I

25. KE while submitting its FCA request for the month of July 2021, revised the cost of FO for the month of April, May & June 2021 against the amounts already claimed in its previous adjustment requests. Upon inquiry, K-Electric provided that PSO cancelled earlier issued four (04) invoices of RFO for the month of April 2021, and issued revised invoices for the month, on May 24, 2021. The detail is as under;

| S. No. | Cancelled Inv. | Date | Revised Inv. | Date | Quantity (MTs) | Amount |
|--------|----------------|-----------|--------------|-----------|----------------|----------------|
| 1 | 9600340609 | 05-4-2021 | 9600497737 | 22-5-2021 | 7863.513 | 679,374,274.70 |
| 2 | 9600342234 | 07-4-2021 | 9600497738 | 22-5-2021 | 9808.279 | 847,393,834.25 |
| 3 | 9600345784 | 09-4-2021 | 9600497739 | 22-5-2021 | 6799.087 | 587,412,368.90 |
| 4 | 9600358208 | 11-4-2021 | 9600497740 | 22-5-2021 | 6454.944 | 557,679,868.81 |

26. Since the FCA of April, May and June 2021 have already been decided by the Authority vide decision dated 06.08.2021, the adjustment on account of revision in invoices by PSO, which works out as negative Rs.137.39 million, has been adjusted in the quarterly adjustment of Apr – Jun 2021.



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Cost of KCCP for operation on HSD for the period April 2021 till August 2021

27. The Authority allowed KE to operate its KCCP on the backup fuel i.e. HSD. Accordingly, cost were allowed based on actual till August 2021. The Authority in the FCA decision for the month of September 2021 decided as under;

"The Authority for the purpose of instant adjustment has provisionally considered heat rate of 7,950.183 btu/kWh (at 100% as given in Heat Rate report by IE), with same CV of HSD and auxiliaries as reported by KE. This has resulted in reduction in fuel cost claimed by K-Electric for KCCPP on HSD by around Rs. 19 million, which has accordingly been adjusted while processing of the instant monthly FCA of K-Electric. Any adjustment, once the Authority approves the heat rate of KCCPP on HSD / Auxiliaries, would be adjusted subsequently along-with cost allowed previously."

28. Based on the above heat rate of 7,950.183 BTU/kWh, a deduction of KCCP on HSD for the period April till August 2021 works out as Rs. 63.89 million using CVs provided by KE. The same has been deducted in the quarter ending June 2021.

29. The above is subject to adjustment based on the final decision of the Authority.

Operation of BQPS I Unit 3 during June 2021

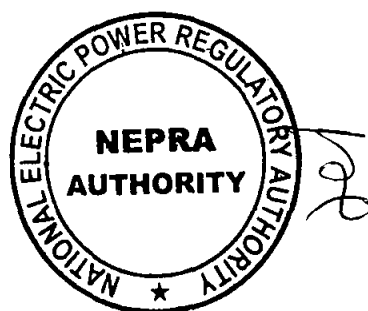
30. The Authority in the LPM dated September 15, 2021 in the matter of K-Electric generation license decided as following;

"the Authority considers it prudent to allow operation of Unit-3 of BQPS-1 for the interim period (i.e. May to August 15, 2021). Further, the Authority decides that the cost of interim operation of Unit-3 of BQPS-I be passed on to the consumers to the extent of Fuel Cost Component (FCC) of BQPS-III/Plant-IV and any incremental/additional cost incurred should be borne by KEL itself."

31. Deduction based on the above decision of the Authority was made from July 2021 in the FCA decisions. For the month of June 2021 the amount of deduction works out as Rs. 533 million, which has been deducted from the Quarterly Adjustment for the quarter ending June 2021.

Anoud Power Generation Ltd. (APGL)

32. Anoud Power Generation Ltd. (APGL) has supplied energy to KE till Sep. 2020 and thereafter no energy has been delivered. As per Cause 1.5 of the 1st addendum dated 27.04.2010 to the PPA between K-Electric and APGL, in case APGL supplies less than the minimum monthly guaranteed units of 5,040,000 kWh to KESC, KESC shall be entitled to make certain deductions at the end of billing month in the billing amount. Pursuant thereto, K-Electric levied a penalty of Rs. 27.34 million on Anoud Power due to non-supply of minimum monthly energy for the month of January & February 2021. However no LD has been charged for the period March 2021 to June 2021 for non-supply of energy. Upon query regarding imposition LDs, KE provided the following reply;



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“KE had imposed penalty on Anoud under Sec 1.5 of 1st Addendum (penalty on less than Guaranteed Units) based on the method considered in NEPRA’s decision dated December 31, 2019, including recovery of amount pertaining to FY 2017 to 2019. Subsequently, Anoud filed a review against NEPRA’s decision. NEPRA issued decision in the matter of review motion filed by Anoud on December 30, 2020.

Accordingly, KE revised the penalty amount in light with NEPRA decision. However, Anoud stopped supply since Oct’20 stating that it cannot continue supply due to financial constraints.

Accordingly, as per the terms of the PAC, KE imposed the following penalties on Anoud till Feb’21:

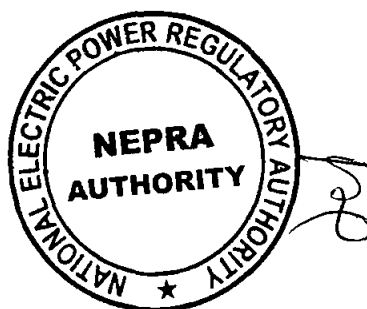
| Penalty applied by KE on Plant Shut Down: | PKR Million |
|---|--------------|
| Oct’20 - Short supply Units 1.495 x Rs 2.713 | 4.06 |
| Nov’20 - Short supply Units 5.040 x Rs 2.713 | 13.67 |
| Dec’20 - Short supply Units 5.040 x Rs 2.713 | 13.67 |
| Jan’21 - Short supply Units 5.040 x Rs 2.713 | 13.67 |
| Feb’21 - Short supply Units 5.040 x Rs 2.713 | 13.67 |
| Penalty recoverable by KE due to non-supply since Oct’20 | 58.75 |

KE has adjusted these penalties against the amount payable to APGL due to revision in the penalty calculation mechanism in NEPRA’s afore-mentioned decision. After adjustment of NEPRA allowed amount and above penalties, KE net Receivable amount is PKR 9.45 million as of 28-Feb-2021.

Further to above, Anoud had filed a writ petition no. 809-2021 before Islamabad High Court on March 30, 2021 against NEPRA and KE, wherein it challenged NEPRA’s Authority and its interpretation of the contractual terms. The matter is sub judice and pending adjudication before the Honorable Court.

Considering that Anoud has not resumed supply to KE and payable amount to Anoud exhausted after penalty imposition in Feb 2021 and that the matter is sub-judice since March 2021, further penalties have not been imposed to date.”

33. For instant quarterly adjustment a penalty of Rs. 27.34 million has been deducted as thereafter the matter is sub judice.
34. The above LD is on provisional basis subject to adjustment based on the final outcome of the legal proceeding.



Adjustment on account of fuel of FPCL for January 2021

35. K-Electric has claimed Rs. 54.186 million for FPCL. Upon inquiry, KE submitted that the differential is due to Fuel cost component for January 2021. K-Electric provided it is calculated as a differential of Rs. 2.79/kWh to be multiplied by 55,185,537 kWh.
36. Upon verification of information it is ascertained that while allowing monthly FCA for January 2021 rate to be made applicable has been used thus there is no need for any adjustment on account of fuel of FPCL. Therefore, the claim of KE of Rs. 54.186 million is not allowed.

Adjustment on account of fuel of KANUPP claimed by KE

37. K-Electric has claimed Rs. 2.169 million for KANUPP in the quarterly adjustment for the quarter ending March 2021. Upon inquiry, KE submitted that the differential is due to fuel cost component for January 2021. K-Electric provided the working in this regard;

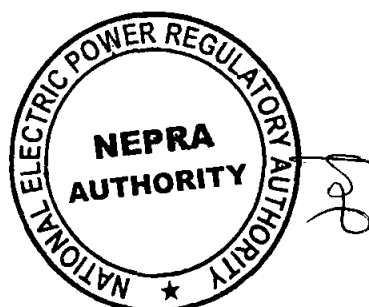
| Export | | | | | |
|-----------------------|------------|---------|------|-------|------------------|
| Allowed in Tariff | 14,675,232 | 14.0031 | 1.30 | 15.30 | 224,586,815 |
| Adjustment | 14,675,232 | 14.1509 | 1.30 | 15.45 | 226,755,815 |
| Net difference | | | | | 2,168,999 |

38. Upon verification of information it is ascertained that while allowing monthly FCA for January 2021 rate of Rs. 14.1509/kWh had been allowed instead of Rs. 14.0031 as claimed by KE. Therefore, the claim of KE of Rs. 2.169 million is not allowed.
39. In addition to the above KE has claimed Rs. 9.639 million for KANUPP in the quarterly adjustment for the quarter ending June 2021. Upon inquiry, K-Electric provided the working in this regard;

Kanupp Adjustment - Apr 2021 to May 2021

| Month | Units claimed | Units Revised | Rate | Amount |
|--------|---------------|---------------|--------------|--------------|
| May-21 | 20.42 | 20.43888 | 14.9865 | 0.2216 |
| | | | | |
| Month | Units | Previous Rate | Revised Rate | Amount |
| Apr-21 | 17.145 | 14.5845 | 14.6549 | 1.21 |
| May-21 | 20.42 | 14.5845 | 14.9865 | 8.21 |
| | | | | 9.639 |

40. Upon verification of information it is ascertained that while allowing monthly FCA for May & April 2021 rate of Rs. 14.6549/kWh & Rs. 14.9865/kWh had been allowed instead of Rs. 14.5845/kWh & Rs. 14.5845/kWh respectively as assumed by KE. Further, the gross units have also been taken correctly. Therefore, the claim of KE of Rs. 9.639 million is not allowed.



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Impact of FCA not applied on different categories of consumers

41. Here it is pertinent to mention that as per the Authority's decision, negative FCA is not to be passed on to lifeline consumers, residential consumers with consumption up-to 300 units and agriculture consumers; similarly, positive FCA is also not passed on to the life line consumers and such impact is adjusted in the quarterly adjustments. Accordingly, net negative amount of around Rs. 595 million for the period January to June 2021, retained by KE is hereby deducted in the instant quarterly adjustments of K-Electric.

KE claim on account of Tax for the FY 2019-20

42. K-Electric has claimed an amount of Rs.2,942 million on account of Tax for the FY 2019-20. The Authority observed that as per the MYT determination, provides the following;

“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”

43. Upon inquiry about the claimed tax KE provided the following working;

| Description | PKR million |
|------------------------------|----------------|
| Turnover | 194,654 |
| Late payment surcharge | 2,561 |
| Service connection charges | 1,041 |
| Total | 198,256 |
| Turnover tax | 1.50% |
| Turnover tax amount | 2,974 |
| Tax credit under 65B | (32) |
| Tax liability | 2,942 |
| | |
| Tax liability FY 2020 | 2,942 |
| | |
| Advance tax payments | (1,651) |
| Withholding taxes | (537) |
| Available refunds | (2,458) |
| NEt refund | (1,704) |

Break up of Advance tax payment

Advance Tax Under Section 147:

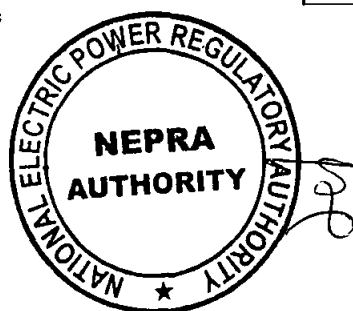
| | |
|--------------|--------------|
| 30-Sep-19 | 386 |
| 25-Jun-20 | 465 |
| 30-Dec-19 | 650 |
| 27-Feb-20 | 150 |
| Total | 1,651 |

Withholding tax break up

| | |
|-------------------------|------------|
| Under section 148 | 466 |
| Under section 151(1)(d) | 51 |
| Under section 153(1)(b) | 10 |
| Under section 236 | 9 |
| Under section 236D | 0 |
| Under section 236L | 0 |
| | 537 |

Break up of refunds:

| | |
|--------------------------|----------------|
| Prior period | (663) |
| TY 2017 | (614) |
| TY 2018 | (181) |
| TY 2019 | (1,001) |
| Available refunds | (2,458) |



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44. Based on the above decision of the Authority in the matter of KE MYT an amount of Rs.2,942 million has been made part of the previous adjustment for the quarter ending March 2021.

Write-offs

45. As per the decision of the Authority dated July 05, 2018, 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 is required to complete the following procedures;

- ✓ *The defaulter connection to be written off shall be disconnected.*
- ✓ *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.*
- ✓ *KE Auditors shall verify that the amount is non-recoverable notwithstanding the efforts of the company.*
- ✓ *The terms of write off shall also be given in detail.*
- ✓ *In case any amount written off is subsequently recovered from the customer, the recovered amount shall be adjusted in next year's tariff.*

46. In view thereof, K-Electric in its instant adjustment claimed actual write offs amounting to Rs.15,900 million (Gross) for the FY 2020-21, including GST deposited based on billing.

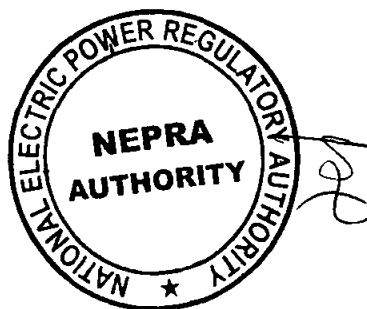
47. The net amount claimed by K-Electric, after accounting for the recovery made through write off component built in the MYT tariff 2017, is Rs.12,303 million. KE has claimed that the amount of write offs recovered through tariff for the FY 2020-21 i.e. Rs.3,597 million, has been worked out by K-Electric by multiplying the Write-off component of Rs.0.203/kWh built in the MYT 2017 with the Units billed during FY 2020-21 (based on NEPRA allowed T&D loss target). The write off request was revised to Rs.16,040 million by K-Electric.

48. The Note 10.4.1 of the Audited Accounts of K-Electric for the FY 2020-21 states that;

"This includes write-off of Rs.16,040 million (2020: Rs.7,492 million) to be claimed as tariff adjustment in accordance with the criteria prescribed by NEPRA as explained in note 33.2."

Note 33.2

Includes Rs. 16,040 million comprising dues of 82,600 customers (2020: Rs 7,492 million comprising dues of 77,184 customers) recognised during the year against actual write-off of bad debts, as allowed by NEPRA under the MYT decision for the period from July 1, 2016 to June 30, 2023, through the decision dated July 5, 2018. The write-off amount has been claimed by the Company on August 02, 2021 on a provisional basis as part of quarterly tariff adjustment for the fourth quarter ended June 30, 2021 aggregating to Rs. 15,900 million (fourth quarter ended June 30, 2020: Rs.9,000 million). Further, NEPRA vide its letters dated December 31, 2019 and March 10, 2021 stated that in connection with the claims submitted by the Company on account of trade debts write-offs for the years ended June 30, 2017, June 30, 2018 and June 30, 2019 aggregating to Rs. 13,617 million, it requires further deliberation.



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As required under the aforementioned NEPRA decision of July 5, 2018, for the purpose of claim of tariff adjustment in respect of actual write-off of bad debts, the Company ensured performance of the following required procedures:

- ✓ The defaulter connection against which the bad debts have been written off were disconnected prior to June 30, 2021 in the system both in the case of active and inactive customers. Furthermore, in the case of inactive customers, the customers were marked as "inactive" in the Company's system i.e. SAP prior to June 30, 2021.
- ✓ The aforementioned amount of write-off of bad debts has been approved by the Company's Board of Directors certifying that the Company has made all best possible efforts to recover the amount being written-off in accordance with the "Policy and Procedures for Write-off of Bad Debts".
- ✓ The actual write-off of bad debts has been determined in accordance with the terms of write-off detailed in the "Policy and Procedures for Write-off of Bad Debts", as approved by the Board of Directors of the Company.

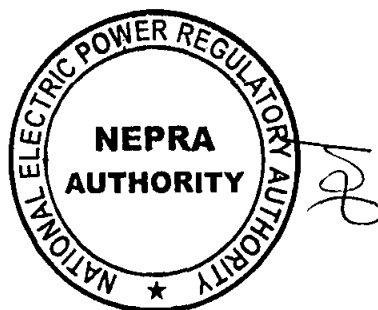
Further, the statutory auditors of the Company verified that the write-off of bad debts amount is not recoverable notwithstanding the efforts of the Company.

In case any amount written-off, as included in the aforementioned claim, is subsequently recovered from the customer, the recovered amount shall be adjusted in next year's tariff, as required under the aforementioned NEPRA decision of July 5, 2018.

In respect of all the defaulter connections, against which the aforementioned write-off amount has been claimed by the Company as tariff adjustment for the year ended June 30, 2021, the Company in addition to the defaulter customer identification and traceability procedures mentioned in the "Policy and Procedures for Write-off of Bad Debts" has carried out physical surveys for establishing the fact that either the defaulter connection is physically disconnected or the defaulter customer who utilised the electricity is untraceable and recovery in the present circumstances is not possible.

There are number of locations / premises which were removed as a result of anti-encroachment drives by the government authorities, whereas, in a number of other cases the premises to which electricity was supplied is no more traceable due to change in either the mapping of the area (including unleased area), demolition of the original premises, structural changes (including division of single premises into many) to the original premises and discontinuation / demolition of single bulk PMT connection. In all of these cases due to the specific situation the connection and / or premises are no more traceable. In addition, there are certain defaulter customers, who were not able to pay off their outstanding dues, in various forms including outstanding amounts on hook connection at the time of transfer of defaulter customers to metered connections and other settlements. Accordingly, the same has been claimed as part of write-off for the year ended June 30, 2021 and the corresponding amount has been claimed in the tariff adjustment after verifying underlying facts.

49. The Authority observed that K-Electric has submitted its data regarding consumer wise detail of write-offs, claimed for the FY 2020-21.
50. Here it is pertinent to mention that the Authority had a meeting with K-Electric and its Auditors on the issue of Write-Off amounts, claimed by K-Electric in its quarterly tariff adjustments and verified by the Auditors, for the FY 2016-17, FY 2017-18 and FY 2018-19,



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which was held on 23.02.2021. Based on the discussions during the meeting, the Authority directed K-Electric's Auditors vide letter dated 01.03.2021, to submit written response on various issues. The Auditors have submitted their response vide letter dated 21.05.2021, received in NEPRA on 24.05.2021 and the same is under consideration.

51. During the preliminary analysis of the provided consumer wise detail of write-offs and the response submitted by the Auditors, the Authority is of the view that claim of write-off requires further deliberation and analysis. Therefore, for the purpose of instant quarterly adjustments, the amount of write-offs of Rs.16,040 million claimed by K-Electric, including amount already built in the tariff, has not been included in the instant workings. The Authority will decided the matter accordingly.

Annual Indexation - K-Electric's own cost

52. As per the MYT 2017, the O&M components for the Generation, Transmission and Distribution allowed to K-Electric are subject to annual CPI-X indexation as per the following mechanism;

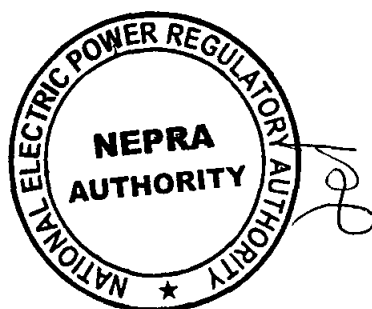
- ✓ Generation component to be indexed with CPI as of May for the respective year
- ✓ Transmission component to be indexed with CPI-X as of May for the respective year, where X is 2% or 30% of change in CPI whichever is lower
- ✓ Distribution component to be indexed with CPI-X as of May for the respective year, where X is 3% or 30% of change in CPI whichever is lower

53. Accordingly, the reference O&M components allowed to K-Electric have been indexed as per the prescribed mechanism based on change in CPI and applicable X factor as under;

| O&M | Ref. | FY 2021-22 |
|--------------------|--------|------------|
| Description | | |
| Generation | 0.4212 | 0.5723 |
| Transmission | 0.2130 | 0.2667 |
| Distribution | 1.1369 | 1.3912 |

54. As per the MYT 2017 determination, the entire tariff components are subject to adjustment with the allowed level of T&D losses targets for the respective year.

55. Accordingly, total tariff so worked out after allowing for quarterly adjustments & indexation on O&M components, has been adjusted with allowed level of T&D losses for the respective year.



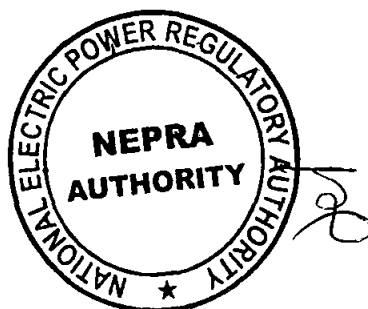
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NA

| Description | Unit | June 2021 |
|--|---------|-----------------|
| Annual Adjustments | Rs./kWh | (0.0368) |
| Adjustment of O&M | Rs./kWh | 0.1582 |
| Adjustment of Own Generation FCC with T&D losses Target | Rs./kWh | (0.0834) |
| Adjustment of Power Purchase FCC with T&D losses Target | Rs./kWh | (0.0489) |
| Adjustment of Power Purchase Variable O&M & Capacity Cost with T&D losses Target | Rs./kWh | (0.0341) |
| Adjustment of other Tariff Components with T&D Losses Target | Rs./kWh | (0.0285) |
| Bad debts | Rs./kWh | (0.0020) |
| Other income | Rs./kWh | 0.0030 |
| Depreciation | Rs./kWh | (0.0052) |
| Return component | Rs./kWh | (0.0139) |
| Base rate adjustment component | Rs./kWh | (0.0103) |

56. The above components include the components related to BQPS 1 Unit 3 & 4 which have been decommissioned. The Authority in the quarterly adjustment for the quarter ending September 2020 deducted an amount of Rs. 0.0904/kWh. Based on the allowed annual indexation the same works out as Rs. 0.0947/kWh. In view of the above a component of Rs. 0.0043/kWh has been deducted from the quarterly adjustment for the quarter ending June 2021.
57. KE vide letter dated April 28, 2022 requested that an amount of Rs.22,138 million on account of heat rate approved for BQPS I be included in the pending quarterly adjustment requests i.e. January 2021 to March 2022 pertaining to the period July 2016 to March 2022. Here it is pertinent to mention that the Authority vide decision dated April 21, 2022 has approved the revision in heat rate of BQPS I for the period from July 2016 onward as under;

| Unit | FY 17 | | FY 18 | | FY 19 | | FY 20 | | FY 21 | | FY 22 | | FY 23 | |
|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | HFO | Gas | HFO | Gas | HFO | Gas | HFO | Gas | HFO | Gas | HFO | Gas | HFO | Gas |
| 1 | 10776 | 11454 | 10807 | 11486 | 10831 | 11511 | 10844 | 11525 | 10844 | 11525 | 10844 | 11525 | 10844 | 11525 |
| 2 | 10600 | 11222 | 10611 | 11233 | 10640 | 11264 | 10653 | 11277 | 10653 | 11277 | 10653 | 11277 | 10653 | 11277 |
| 3 | 12686 | | 12740 | | 12792 | | 12818 | | 12818 | | 12818 | | 12818 | |
| 4 | 12849 | | 12915 | | 12978 | | 13006 | | 13006 | | 13006 | | 13006 | |
| 5 | 10565 | 11226 | 10582 | 11243 | 10605 | 11268 | 10614 | 11277 | 10614 | 11277 | 10614 | 11277 | 10614 | 11277 |
| 6 | 10689 | 11563 | 10738 | 11615 | 10768 | 11648 | 10785 | 11667 | 10785 | 11667 | 10785 | 11667 | 10785 | 11667 |

58. The request of KE of Rs. 22,138 million has been analyzed and the same has been worked out as Rs. 21,749 million for the period Jul 2016 to March 2022. The reason for the difference is that KE in the month of June to August 2021 has requested for the gap in earlier and revised heat rate for BQPS I Unit 3, whereas, the Authority in the LPM dated September 15, 2021 decided to deduct certain amount on account of non-commissioning of BQPS III power plant. Further, in the month of February 2022, the rate of RLNG has been erroneously taken as Rs. 2,480/MMBTU by KE instead of Rs. 2,449.05/MMBTU.
59. Considering the fact that the Authority has already approved revision in heat rate of BQPS I from July 2016 onwards and based on the above working an amount of Rs. 4,350 million has been added into every quarterly adjustment from January 2021 to March 2022, under the head

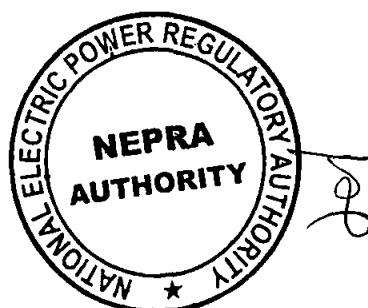


of previous adjustment. Accordingly in the instant adjustment Rs.8,700 million has been added under the head of previous adjustment.

| Description | Unit | Jan-21 | Feb-21 | Mar-21 | Apr-21 | May-21 | Jun-21 |
|---|---------|---------|----------|------------|----------|----------|----------|
| Adjustment in SOT for the Quarter | Rs./kWh | | | 1.3307 | | | (0.9429) |
| FCC of Own Generation | Rs./kWh | | 7.4818 | | | | 6.8654 |
| FCC adjusted on Target T&D Losses | Rs./kWh | | 8.9925 | | | | 8.2517 |
| Reference Own Generation FCC adjusted on Target T&D Losses | Rs./kWh | | 6.0853 | | | | 8.9925 |
| Required adjustment in SOT of Own Generation to level up the tariff | Rs./kWh | | 2.9072 | | | | (0.7408) |
| Power Purchases | | | | | | | |
| Fuel Cost | Rs./kWh | | | 3.5610 | | | 4.0267 |
| FCC adjusted on Target T&D Losses | Rs./kWh | | | 4.2800 | | | 4.8398 |
| Reference Power Purchase FCC adjusted on Target T&D Losses | Rs./kWh | | | 4.8532 | | | 4.2800 |
| Required adjustment in SOT of Power Purchase FCC to level up the tariff | Rs./kWh | | | (0.5732) | | | 0.5597 |
| Variable O&M and Capacity | Rs./kWh | | | 2.30769 | | | 2.80783 |
| Variable O&M and Capacity adjusted on Target T&D Losses | Rs./kWh | | | 2.77367 | | | 3.37480 |
| Reference Power Purchase Variable O&M and Capacity based on Target T&D Losses | Rs./kWh | | | 3.72793 | | | 2.77367 |
| Required adjustment in SOT of Power Purchase Variable O&M and Capacity to level up the tariff | Rs./kWh | | | (0.9543) | | | 0.6011 |
| Total Adjustment in SOT to Level up the Tariff | Rs./kWh | | | 1.3797 | | | 0.4201 |
| Cost of BQPS-1 Unit 3 & 4 | | | | | | | (0.0043) |
| Impact of Variation in Fuel cost to the extent of T&D losses | | | | | | | |
| Own Generation | | | | | | | |
| Monthly Approved FCA | Rs./kWh | 0.8014 | 3.0347 | 2.4188 | (0.7252) | (1.0727) | (0.6164) |
| Total Units Sent Out | Gwh | 1,035 | 1,107 | 1,563 | 1,844 | 2,001 | 2,092 |
| Allowed Level of T&D losses | % | 16.80% | 16.80% | 16.80% | 16.80% | 16.80% | 16.80% |
| Impact of Losses on FCA for Own Generation | Rs.Mln | 139.30 | 564.20 | 635.07 | (224.66) | (360.56) | (216.58) |
| Total impact of Losses FCA | | | | 1,338.57 | | | (801.80) |
| Power Purchases | | | | | | | |
| Fuel Cost | | | | | | | |
| Monthly Approved FCA | Rs./kWh | 0.4491 | (0.9364) | (0.4769) | 0.1753 | 0.1229 | 0.4657 |
| Total Units Sent Out | Gwh | 1,035 | 1,107 | 1,563 | 1,844 | 2,001 | 2,092 |
| Allowed Level of T&D losses | % | 16.80% | 16.80% | 16.80% | 16.80% | 16.80% | 16.80% |
| Impact of Losses on FCA for Power Purchases | Rs.Mln | 78 | (174) | (125) | 54 | 41 | 164 |
| Total impact of Losses on FCA | Rs.Mln | | | (221) | | | 259 |
| G. Total | Rs.Mln | | | 1,117 | | | (542.55) |
| Impact of Variation in Variable O&M and Capacity | | | | | | | |
| Impact of Variation in Variable O&M and Capacity | Rs.Mln | 146.96 | (302.30) | (1,240.80) | 313.78 | (89.46) | 1,046.06 |
| Total impact of Variable O&M and Capacity | Rs.Mln | | | (1,396) | | | 1,270 |
| Unrecovered Cost of June 16 Quarter (old MYT)/CPPA-G Adj | Rs.Mln | | | - | | | - |
| Net Impact of Life Line, 300 units & Agriculture units | Rs.Mln | | | 6 | | | (602) |
| Total Un-Recovered Cost of the Quarter | Rs.Mln | | | (272.48) | | | 126 |
| WWF | Rs.Mln | - | - | - | - | - | - |
| WPPF | Rs.Mln | - | - | - | - | - | - |
| Previous Adjustment | Rs.Mln | - | - | 7,401 | - | - | 4,035 |
| Write Off | Rs.Mln | - | - | - | - | - | (3,607) |
| LDs | Rs.Mln | (13.67) | (13.67) | - | - | - | - |
| Units Sold during Next Quarter on allowed T&D Losses | GWh | | | 4,939 | | | 4,783 |
| Adjustment for the Quarter | Rs./kWh | | | 1.4377 | | | 0.1159 |
| Reversal of Previous Quarter | Rs./kWh | | | (1.4867) | | | (1.4377) |
| Net Adjustment for the Quarter | Rs./kWh | | | (0.0490) | | | (1.3218) |
| Annual Adjustments | Rs./kWh | | | | | | (0.0368) |

Issue # Whether Category "J-Special Contracts" should continue keeping in view amendments in NEPRA (Supply of Electric Power) Regulations, 2015 and amended NEPRA Act 2018?

- The Authority in the tariff determination of XWDISCOs has discontinued "J-Special Contracts" in line with the amendments in NEPRA (Supply of Electric Power) Regulation, 2015. The same tariff was notified w.e.f. February 12, 2021.
- Keeping in view the changes in the NEPRA (Supply of Electric Power) Regulation, 2015, "J-Special Contracts" has been discontinued from the SoT for the quarter ending March 2021.



Issue # Whether there is a need to revise the fixed charges currently applicable on different categories of consumers?

62. The Authority in the tariff determination of XWDISCOs has revised the fixed charges for Commercial, Industrial & Bulk Supply consumer.
63. Keeping in view the above, fixed charges have also been revised for the above categories in the SoT of K-Electric for the quarter ending March 2021 onwards applicable w.e.f. April 2021. Here it is pertinent to mention that K-Electric vide letter dated April 10, 2022 has submitted that its average sale rate on actual sales from July 2020 to March 2021 is still short by Rs. 0.11/kWh from allowed determined tariff of Rs. 12.82/kWh, having an impact of Rs. 1,165 million. K-Electric has stated that the main reason is that no changes have been made in the category wise rates for SoTs of April 2020 to December 2020. Keeping in view the submission of KE, the Authority has decided not to adjust the variable charges for the time being, although fixed charges have been revised upward. In view thereof, KE is directed to submit its complete working of the sales mix in its quarterly adjustment for the quarter ending June 2022 for the period July 2020 till June 2022 for consideration of the Authority.

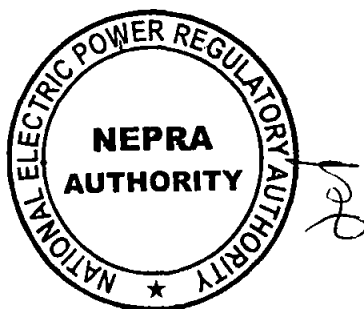
Issue # Whether there should be any amendment in Terms and Conditions of Tariff (For Supply of Electric Power to Consumers by Supply Licensees) keeping in view the changes in Consumer Service Manual?

64. The Authority observed that certain amendments have been approved in the NEPRA CSM, regarding extension of load for B-3 & C-2 from 5MW upto 7.5MW, after following due process of law. The same amendments are also required to be incorporated in the Tariff determination of DISCOs. Accordingly, the following changes are being made in the Terms & Conditions of Tariff;

"Considering the fact that the Authority, through CSM, has already allowed extension in load beyond 5MW upto 7.5MW whose connection is at least three (3) years old, therefore, for such consumers the applicable tariff shall remain as B-3 or C-2 as the case may be. However, while allowing extension in load, the DISCOs shall ensure that no additional line losses are incurred and additional loss, if any, shall be borne by the respective consumers."

Whether the Claw Back working provided by K-Electric is justified?


65. Here it is pertinent to mention that claw back thresholds already allowed in the MYT have been revised through Mid Term Review Decision of K-Electric dated March 1, 2022. K-Electric is directed to submit its revised claw back workings for the period from FY 2017 till FY 2021.
66. K-Electric is allowed to charge the "use of system charges" from the user of its system, as per the mechanism provided in its MYT 2017 determination. The use of system charges shall be worked out, by using the latest allowed numbers of transmission or distribution margin



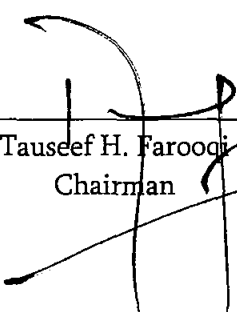
components or both, as the case may be, and shall be adjusted on the allowed level of loss assessment for the respective year.

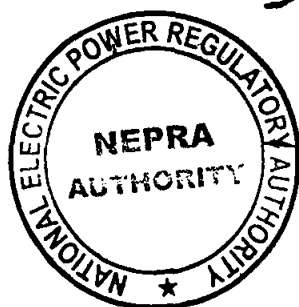
67. In view of the discussion made in preceding paragraphs and accounting for the adjustments discussed above, the quarterly Schedule of Tariffs (SoTs) of K-Electric, for the quarter Jan. - Mar. 2021 & Apr. - Jun. 2021 have been prepared and are attached herewith, which shall be applicable in the quarter Apr. - Jun. 2021 & Jul. - Sep. 2021 respectively.
68. The instant decision is being intimated to the Federal Government, prior to its notification in the official Gazette as per Section 31(7) of the NEPRA Act.


AUTHORITY


Rafique Ahmed Shaikh
Member


Engr. Maqsood Anwar Khan
Member


Tauseef H. Farooqi
Chairman




080622

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

APPLICABLE FOR THE QUARTER APRIL - JUNE 2021

| Sr. No. | TARIFF CATEGORY / PARTICULARS | FIXED CHARGES Rs/kw/M | VARIABLE CHARGES Rs/kWh | | Quarterly Adjustment Rs/kWh | | TOTAL VARIABLE CHARGES Rs/kWh | |
|---------|------------------------------------|--------------------------|----------------------------|----------|--------------------------------|----------|----------------------------------|----------|
| | | | Peak | Off-Peak | Peak | Off-Peak | Peak | Off-Peak |
| a) | For Sanctioned load less than 5 kW | - | 4.00 | | | | 4.00 | |
| i | Up to 50 Units | - | 4.00 | | | | 4.00 | |
| | For Consumption exceeding 50 Units | - | | | | | | |
| ii | 1- 100 Units | - | 17.01 | | 1.33 | | 18.34 | |
| iii | 101- 200 Units | - | 18.60 | | 1.33 | | 19.93 | |
| iv | 201- 300 Units | - | 19.81 | | 1.33 | | 21.14 | |
| v | 301- 700 Units | - | 20.86 | | 1.33 | | 22.19 | |
| vi | Above 700 Units | - | 23.21 | | 1.33 | | 24.54 | |
| b) | For Sanctioned load 5 kW & above | - | | | | | | |
| | Time Of Use | - | 24.42 | 20.24 | 1.33 | 1.33 | 25.75 | 21.57 |

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 | | Quarterly Adjustment Rs/kWh | | TOTAL VARIABLE CHARGES Rs/kWh | |
|---------|------------------------------------|--------------------------|----------------------------|----------|--------------------------------|----------|----------------------------------|----------|
| | | | Peak | Off-Peak | Peak | Off-Peak | Peak | Off-Peak |
| a) | For Sanctioned load less than 5 kW | - | 21.17 | | 1.33 | | 22.50 | |
| b) | For Sanctioned load 5 kW & above | 440.00 | 20.40 | | 1.33 | | 21.73 | |
| | Time Of Use | 440.00 | 24.41 | 20.18 | 1.33 | 1.33 | 25.74 | 21.51 |

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 | Quarterly Adjustment Rs/kWh | TOTAL VARIABLE CHARGES Rs/kWh |
|---------|-------------------------------|--------------------------|----------------------------|--------------------------------|----------------------------------|
| a) | General Services | - | 21.36 | 1.33 | 22.69 |

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 | | Quarterly Adjustment Rs/kWh | | TOTAL VARIABLE CHARGES Rs/kWh | |
|---------|---|--------------------------|----------------------------|----------|--------------------------------|----------|----------------------------------|----------|
| | | | Peak | Off-Peak | Peak | Off-Peak | Peak | Off-Peak |
| B1 | Upto 25 kW (at 400/230 Volts) | - | 21.41 | | 1.33 | | 22.74 | |
| B2(a) | 25-500 kW (at 400 Volts) | 440.00 | 20.56 | | 1.33 | | 21.89 | |
| B3(a) | For all loads upto 5000 KW (at 11,33 kV) | 420.00 | 20.41 | | 1.33 | | 21.74 | |
| B4(a) | For all loads upto 5000 KW (at 66,132 kV) | 400.00 | 19.91 | | 1.33 | | 21.24 | |
| | Time Of Use | | 24.41 | 20.41 | 1.33 | 1.33 | 25.74 | 21.74 |
| B1(b) | Upto 25 kW (at 400/230 Volts) | - | 24.41 | | 1.33 | | 25.74 | |
| B2(b) | 25-500 kW (at 400 Volts) | 440.00 | 24.41 | 19.91 | 1.33 | 1.33 | 25.74 | 21.24 |
| B3(b) | For All Loads up to 5000 kW (at 11,33 kV) | 420.00 | 24.41 | 19.41 | 1.33 | 1.33 | 25.74 | 20.74 |
| B4(b) | For All Loads (at 66,132 kV & above) | 400.00 | 24.41 | 19.16 | 1.33 | 1.33 | 25.74 | 20.49 |
| B5 | For All Loads (at 220 kV & above) | 340.00 | 24.41 | 18.41 | 1.33 | 1.33 | 25.74 | 19.74 |

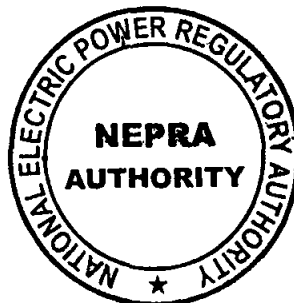
For B1 consumers there shall be a fixed minimum charge of Rs. 350 per month.

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.



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

APPLICABLE FOR THE QUARTER APRIL - JUNE 2021

C - SINGLE-POINT SUPPLY

| Sr. No. | TARIFF CATEGORY / PARTICULARS | FIXED CHARGES Rs/kW/M | VARIABLE CHARGES Rs/kWh | | Quarterly Adjustment Rs/kWh | | TOTAL VARIABLE CHARGES Rs/kWh | |
|---------|---|--------------------------|----------------------------|----------|--------------------------------|----------|----------------------------------|----------|
| | | | Peak | Off-Peak | Peak | Off-Peak | Peak | Off-Peak |
| C-1 | For supply at 400/230 Volts | | | | | | | |
| a) | Sanctioned load less than 5 kW | - | | 21.41 | | 1.33 | | 22.74 |
| b) | Sanctioned load 5 kW & up to 500 kW | 440.00 | | 20.41 | | 1.33 | | 21.74 |
| C-2(a) | For supply at 11,33 kV up to and including 5000 kW | 420.00 | | 20.41 | | 1.33 | | 21.74 |
| C-3(a) | For supply at 132 and above, up to and including 5000 kW Time Of Use | 400.00 | | 19.91 | | 1.33 | | 21.24 |
| C-1(c) | For supply at 400/230 Volts 5 kW & up to 500 kW | 440.00 | 24.41 | 19.91 | 1.33 | 1.33 | 25.74 | 21.24 |
| C-2(b) | For supply at 11,33 kV up to and including 5000 kW | 420.00 | 24.41 | 19.41 | 1.33 | 1.33 | 25.74 | 20.74 |
| C-3(b) | For supply at 132 kV up to and including 5000 kW | 400.00 | 24.41 | 19.16 | 1.33 | 1.33 | 25.74 | 20.49 |

D - AGRICULTURE TARIFF

| Sr. No. | TARIFF CATEGORY / PARTICULARS | FIXED CHARGES Rs/kW/M | VARIABLE CHARGES Rs/kWh | | Quarterly Adjustment Rs/kWh | | TOTAL VARIABLE CHARGES Rs/kWh | |
|---------|-------------------------------|--------------------------|----------------------------|----------|--------------------------------|----------|----------------------------------|----------|
| | | | Peak | Off-Peak | Peak | Off-Peak | Peak | Off-Peak |
| D-1 | For all Loads Time of Use | 200.00 | | 19.13 | | 1.33 | | 20.46 |
| D-2 | For all Loads | 200.00 | 24.41 | 18.71 | 1.33 | 1.33 | 25.74 | 20.04 |

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 | | Quarterly Adjustment Rs/kWh | | TOTAL VARIABLE CHARGES Rs/kWh | |
|----------|-------------------------------|--------------------------|----------------------------|----------|--------------------------------|----------|----------------------------------|----------|
| | | | Peak | Off-Peak | Peak | Off-Peak | Peak | Off-Peak |
| E-1(i) | Residential Supply | - | | 21.91 | | 1.33 | | 23.24 |
| E-1(ii) | Commercial Supply | - | | 22.51 | | 1.33 | | 23.84 |
| E-2 (i) | Industrial Supply | - | | 22.96 | | 1.33 | | 24.29 |
| E-2 (ii) | Bulk Supply | | | | | | | |
| (a) | at 400 Volts | - | | 22.91 | | 1.33 | | 24.24 |
| (b) | at 11 kV | - | | 22.89 | | 1.33 | | 24.22 |

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.

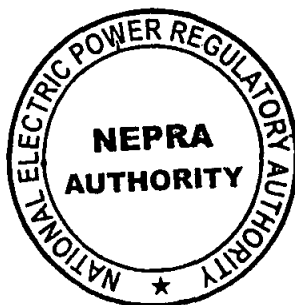
G. PUBLIC LIGHTING

| Sr. No. | TARIFF CATEGORY / PARTICULARS | FIXED CHARGES Rs/kW/M | VARIABLE CHARGES Rs/kWh | Quarterly Adjustment Rs/kWh | TOTAL VARIABLE CHARGES Rs/kWh |
|---------|-------------------------------|--------------------------|----------------------------|--------------------------------|----------------------------------|
| | Street Lighting | - | 21.81 | 1.33 | 23.14 |

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 | Quarterly Adjustment Rs/kWh | TOTAL VARIABLE CHARGES Rs/kWh |
|---------|--|--------------------------|----------------------------|--------------------------------|----------------------------------|
| | Residential Colonies attached to industrial premises | - | 21.91 | 1.33 | 23.24 |



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

APPLICABLE FOR THE QUARTER JULY - SEPTEMBER 2021

| Sr. No. | TARIFF CATEGORY / PARTICULARS | FIXED CHARGES Rs/kW/M | VARIABLE CHARGES Rs/kWh | | Quarterly Adjustment Rs/kWh | | TOTAL VARIABLE CHARGES Rs/kWh | |
|---------|------------------------------------|--------------------------|----------------------------|----------|--------------------------------|----------|----------------------------------|----------|
| | | | Peak | Off-Peak | Peak | Off-Peak | Peak | Off-Peak |
| a) | For Sanctioned load less than 5 kW | - | 4.00 | | | | 4.00 | |
| i | Up to 50 Units | - | 4.00 | | | | 4.00 | |
| | For Consumption exceeding 50 Units | - | 18.34 | | (0.95) | | 17.39 | |
| ii | 1- 100 Units | - | 19.93 | | (0.95) | | 18.98 | |
| iii | 101- 200 Units | - | 21.14 | | (0.95) | | 20.19 | |
| iv | 201- 300 Units | - | 22.19 | | (0.95) | | 21.24 | |
| v | 301- 700 Units | - | 24.54 | | (0.95) | | 23.59 | |
| vi | Above 700 Units | - | | | | | | |
| b) | For Sanctioned load 5 kW & above | - | | | | | | |
| | Time Of Use | - | 25.75 | 21.57 | (0.95) | (0.95) | 24.80 | 20.62 |

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 | | Quarterly Adjustment Rs/kWh | | TOTAL VARIABLE CHARGES Rs/kWh | |
|---------|------------------------------------|--------------------------|----------------------------|----------|--------------------------------|----------|----------------------------------|----------|
| | | | Peak | Off-Peak | Peak | Off-Peak | Peak | Off-Peak |
| a) | For Sanctioned load less than 5 kW | - | 22.50 | | (0.95) | | 21.55 | |
| b) | For Sanctioned load 5 kW & above | 440.00 | 21.73 | | (0.95) | | 20.78 | |
| | Time Of Use | 440.00 | 25.74 | 21.51 | (0.95) | (0.95) | 24.79 | 20.56 |

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 | Quarterly Adjustment Rs/kWh | TOTAL VARIABLE CHARGES Rs/kWh |
|---------|-------------------------------|--------------------------|----------------------------|--------------------------------|----------------------------------|
| a) | General Services | - | 22.69 | (0.95) | 21.74 |

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 | | Quarterly Adjustment Rs/kWh | | TOTAL VARIABLE CHARGES Rs/kWh | |
|---------|---|--------------------------|----------------------------|----------|--------------------------------|----------|----------------------------------|----------|
| | | | Peak | Off-Peak | Peak | Off-Peak | Peak | Off-Peak |
| B1 | Upto 25 kW (at 400/230 Volts) | - | 22.74 | | (0.95) | | 21.79 | |
| B2(a) | 25-500 kW (at 400 Volts) | 440.00 | 21.89 | | (0.95) | | 20.94 | |
| B3(a) | For all loads upto 5000 KW (at 11,33 kV) | 420.00 | 21.74 | | (0.95) | | 20.79 | |
| B4(a) | For all loads upto 5000 KW (at 66,132 kV) | 400.00 | 21.24 | | (0.95) | | 20.29 | |
| | Time Of Use | | Peak | Off-Peak | Peak | Off-Peak | Peak | Off-Peak |
| B1(b) | Upto 25 kW (at 400/230 Volts) | - | 25.74 | 21.74 | (0.95) | (0.95) | 24.79 | 20.79 |
| B2(b) | 25-500 kW (at 400 Volts) | 440.00 | 25.74 | 21.24 | (0.95) | (0.95) | 24.79 | 20.29 |
| B3(b) | For All Loads up to 5000 kW (at 11,33 kV) | 420.00 | 25.74 | 20.74 | (0.95) | (0.95) | 24.79 | 19.79 |
| B4(b) | For All Loads (at 66,132 kV & above) | 400.00 | 25.74 | 20.49 | (0.95) | (0.95) | 24.79 | 19.54 |
| B5 | For All Loads (at 220 kV & above) | 340.00 | 25.74 | 19.74 | (0.95) | (0.95) | 24.79 | 18.79 |

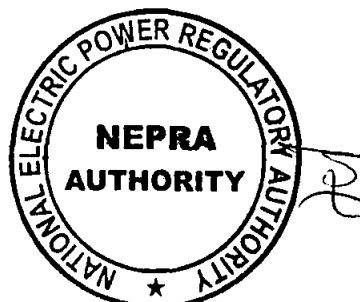
For B1 consumers there shall be a fixed minimum charge of Rs. 350 per month.

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. 1,000,000 per month.



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

APPLICABLE FOR THE QUARTER JULY - SEPTEMBER 2021

C - SINGLE-POINT SUPPLY

| Sr. No. | TARIFF CATEGORY / PARTICULARS | FIXED CHARGES Rs/kW/M | VARIABLE CHARGES Rs/kWh | | Quarterly Adjustment Rs/kWh | | TOTAL VARIABLE CHARGES Rs/kWh | |
|---------|--|--------------------------|----------------------------|----------|--------------------------------|----------|----------------------------------|----------|
| | | | Peak | Off-Peak | Peak | Off-Peak | Peak | Off-Peak |
| C-1 | For supply at 400/230 Volts | | | | | | | |
| a) | Sanctioned load less than 5 kW | - | | 22.74 | | (0.95) | | 21.79 |
| b) | Sanctioned load 5 kW & up to 500 kW | 440.00 | | 21.74 | | (0.95) | | 20.79 |
| C-2(a) | For supply at 11,33 kV up to and including 5000 kW | 420.00 | | 21.74 | | (0.95) | | 20.79 |
| C-3(a) | For supply at 132 and above, up to and including 5000 kW | 400.00 | | 21.24 | | (0.95) | | 20.29 |
| | Time Of Use | | | | | | | |
| C-1(c) | For supply at 400/230 Volts 5 kW & up to 500 kW | 440.00 | 25.74 | 21.24 | (0.95) | (0.95) | 24.79 | 20.29 |
| C-2(b) | For supply at 11,33 kV up to and including 5000 kW | 420.00 | 25.74 | 20.74 | (0.95) | (0.95) | 24.79 | 19.79 |
| C-3(b) | For supply at 132 kV up to and including 5000 kW | 400.00 | 25.74 | 20.49 | (0.95) | (0.95) | 24.79 | 19.54 |

D - AGRICULTURE TARIFF

| Sr. No. | TARIFF CATEGORY / PARTICULARS | FIXED CHARGES Rs/kW/M | VARIABLE CHARGES Rs/kWh | | Quarterly Adjustment Rs/kWh | | TOTAL VARIABLE CHARGES Rs/kWh | |
|---------|-------------------------------|--------------------------|----------------------------|----------|--------------------------------|----------|----------------------------------|----------|
| | | | Peak | Off-Peak | Peak | Off-Peak | Peak | Off-Peak |
| D-1 | For all Loads | 200.00 | | 20.46 | | (0.95) | | 19.51 |
| | Time of Use | | | | | | | |
| D-2 | For all Loads | 200.00 | 25.74 | 20.04 | (0.95) | (0.95) | 24.79 | 19.09 |

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 | | Quarterly Adjustment Rs/kWh | | TOTAL VARIABLE CHARGES Rs/kWh | |
|----------|-------------------------------|--------------------------|----------------------------|----------|--------------------------------|----------|----------------------------------|----------|
| | | | Peak | Off-Peak | Peak | Off-Peak | Peak | Off-Peak |
| E-1(i) | Residential Supply | - | | 23.24 | | (0.95) | | 22.29 |
| E-1(ii) | Commercial Supply | - | | 23.84 | | (0.95) | | 22.89 |
| E-2 (i) | Industrial Supply | - | | 24.29 | | (0.95) | | 23.34 |
| E-2 (ii) | Bulk Supply | | | | | | | |
| | (a) at 400 Volts | - | | 24.24 | | (0.95) | | 23.29 |
| | (b) at 11 kV | - | | 24.22 | | (0.95) | | 23.27 |

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 | | Quarterly Adjustment Rs/kWh | | TOTAL VARIABLE CHARGES Rs/kWh | |
|---------|-------------------------------|--------------------------|----------------------------|----------|--------------------------------|----------|----------------------------------|----------|
| | | | Peak | Off-Peak | Peak | Off-Peak | Peak | Off-Peak |
| | Street Lighting | - | | 23.14 | | (0.95) | | 22.19 |

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 | | Quarterly Adjustment Rs/kWh | | TOTAL VARIABLE CHARGES Rs/kWh | |
|---------|--|--------------------------|----------------------------|----------|--------------------------------|----------|----------------------------------|----------|
| | | | Peak | Off-Peak | Peak | Off-Peak | Peak | Off-Peak |
| | Residential Colonies attached to industrial premises | - | | 23.24 | | (0.95) | | 22.29 |

