

Government of Pakistan  
Ministry of Energy  
\*\*\*\*\*

Islamabad, the 13<sup>th</sup> January, 2026.

**NOTIFICATION**

S.R.O. 42(I)/2026. - In pursuance of 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. 379(I)/2018 dated the 22nd day of March, 2018 as amended from time to time, namely:-

2. In the aforesaid notification, the Schedule Of Electricity Tariffs determined by National Electric Power Regulatory Authority (the "Authority"), inclusive of GoP Tariff Rationalization, of Gujranwala Electric Power Company (GEPCO), is substituted with the final tariff dated 12<sup>th</sup> January, 2026, intimated by the Authority, based on uniform tariff determined by the Authority in terms of sub-section (4) of section 31, both of which the Federal Government is pleased to notify as Annex-A-1, Annex-B-1, Annex-A, Annex-B in terms of sub-section 7 of section 31 of the Act. Provided that any modification in the targeted subsidy shall accordingly be reflected in the applicable variable charge specified in Annex-A-1, Annex-B-1 from time to time.
3. Furthermore, the National Electric Power Regulatory Authority decisions dated 7<sup>th</sup> January, 2026 in respect of GEPCO and decision of power purchase price determination dated 7<sup>th</sup> January, 2026, is also hereby notified.
4. This notification shall come into force on and from the 1<sup>st</sup> day of January, 2026.

*S. M. A.*  
(Syed Mateen Ahmed  
Deputy Secretary (T&S)  
Ministry of Energy  
(Power Division)





Registrar

# National Electric Power Regulatory Authority

## Islamic Republic of Pakistan

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No. NEPRA/R/ADG(TF)/TRF-100/ 1004-23

January 12, 2026

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

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority (total 18 Pages). The instant Decision including Annex-A & A-1, B & B-1 and C is intimated to the Federal Government for notification in terms of Section 31(7) of the Act.

2. Further, the Federal Government while notifying the instant Decision, shall also notify the individual Decisions of the Authority issued in the matter of each XWDISCO along with Decision of Power Purchase Price (PPP) Forecast for the CY 2026 dated 07.01.2026.

Enclosure: As above

*Wasim Anwar*  
(Wasim Anwar Bhinder)

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

Copy to:

Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad	Mr. Shehriyar Abbasi, Deputy Secretary Cabinet Division, Cabinet Secretariat, Islamabad
Secretary, Energy Department, Government of Punjab, 8th Floor, EFU House, Main Gulberg, Jail Road, Lahore	Secretary, Energy Department, Government of Sindh, 3 <sup>rd</sup> Floor, State Life Building No. 3, Opposite CM House, Dr. Zai-ud-din Ahmad Road, Karachi
Secretary, Energy and Power Department, Government of Khyber Pakhtunkhwa, First Floor, A-Block, Abdul Wali Khan Multiplex, Civil Secretariat, Peshawar	Secretary, Energy Department, Government of Balochistan, Civil Secretariat, Zarghoon Road, Quetta
Secretary, Water & Power, Government of Gilgit Baltistan, Near Kara Kuram International University, Gilgit	Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad

Chief Executive Officer, Hazara Electric Supply Company (HAZECO), 426/A, PMA Link Road, Jinnahabad Abbottabad	Chief Executive Officer, Sukkur Electric Power Company Ltd. (SEPCO), SEPCO Headquarters, Old Thermal Power Station, Sukkur
Chief Executive Officer, K-Electric Limited (KEL), KE House, Punjab Chowrangi,, 39 – B, Sunset Boulevard, Phase-II, Defence Housing Authority, Karachi	Chief Executive Officer, Hyderabad Electric Supply Company Ltd. (HESCO), WAPDA Water Wing Complex, Hussainabad, Hyderabad
Chief Executive Officer, Tribal Areas Electric Supply Company Ltd. (TESCO), 213-WAPDA House, Shami Road, Sakhi Chashma, Peshawar	Chief Executive Officer, Peshawar Electric Supply Company Ltd. (PESCO), WAPDA House, Sakhi Chashma, Shami Road, Peshawar
Chief Executive Officer, Islamabad Electric Supply Company Ltd. (IESCO), Street No. 40, G-7/4, Islamabad	Chief Executive Officer, Faisalabad Electric Supply Company Ltd. (FESCO), Abdullahpur, Canal Bank Road, Faisalabad
Chief Executive Officer, Gujranwala Electric Power Company Ltd. (GEPCO), 565/A, Model Town G.T. Road, Gujranwala	Chief Executive Officer, Lahore Electric Supply Company Ltd. (LESCO), 22-A, Queen's Road, Lahore
Chief Executive Officer, Multan Electric Power Company Ltd. (MEPCO), Complex, WAPDA Colony, Khanewal Road, Multan	Chief Executive Officer, Quetta Electric Supply Company Ltd. (QESCO), 14-A Zarghoon Road, Quetta



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

1. NEPRA determined annual tariff adjustments / indexation and Multi Year Tariffs of XWDISCOs, for the CY 2026 vide decisions dated 07.01.2026. In addition, the Authority also determined Power Purchase Price forecast for the CY 2026 vide decision dated 07.01.2026. A summary of the component wise revenue requirement of each XWDISCO determined by the Authority, for CY 2026, is reproduced hereunder;

XWDISCOs Description of Tariff		CY 2026 (Distribution + Supply) Functions Revenue Requirements											
Units Received	GWs	12,396	25,606	15,836	12,063	16,427	10,373	5,486	4,750	3,995	1,554	3,094	113,382
Units Sold	GWs	11,194	23,440	14,597	10,995	16,337	8,375	4,523	4,094	3,344	1,416	2,618	101,234
Units Lost	GWs	904	2,166	1,229	1,058	2,090	1,998	963	656	652	138	476	12,348
T&D Losses	%	7.25%	8.45%	7.67%	8.83%	11.34%	19.26%	17.55%	13.81%	16.31%	8.82%	15.39%	10.87%
Energy Charge	Rs. Mn	100,987	206,268	128,641	98,017	149,524	84,420	44,484	38,857	32,315	12,735	25,301	923,358
Capacity Charge	Rs. Mn	164,652	381,769	234,947	185,213	290,152	159,883	112,729	95,008	65,055	42,013	41,291	1,777,453
Transmission & MOE	Rs. Mn	20,681	47,921	29,413	23,787	36,665	19,718	13,960	11,569	8,251	5,095	5,082	222,244
Power Purchase Price	Rs. Mn	288,329	637,958	395,062	310,048	476,341	263,722	171,173	145,434	109,631	59,842	71,674	2,923,154
Pay & Allowances	Rs. Mn	16,380	30,670	20,467	17,310	20,353	13,869	10,832	7,921	7,073	1,355	1,833	148,062
Post Retirement Benefits	Rs. Mn	11,047	22,126	20,715	11,205	27,291	14,043	6,425	3,916	6,542	638	938	124,997
Repair & Maintenance	Rs. Mn	2,625	3,000	1,296	3,361	2,039	1,543	2,839	1,603	1,446	391	137	20,481
Traveling Allowance	Rs. Mn	641	772	643	416	1,026	216	377	308	437	46	34	4,943
Vehicle Maintenance	Rs. Mn	1,116	2,169	1,093	1,261	742	325	689	558	269	82	11	8,314
Other expenses	Rs. Mn	2,579	3,437	2,236	1,141	3,731	1,877	1,300	999	1,857	108	69	19,326
ORM Cost	Rs. Mn	54,388	62,174	46,473	34,924	55,201	31,373	22,461	18,266	17,669	2,681	2,913	326,621
Depreciation	Rs. Mn	5,981	6,728	6,615	3,339	9,195	3,228	1,845	1,953	1,894	710	803	44,393
RORR	Rs. Mn	14,390	10,752	12,807	10,204	10,704	7,078	13,495	6,001	9,284	2,504	707	97,924
O. Income	Rs. Mn	(6,281)	(12,600)	(7,313)	(4,585)	(6,111)	(1,333)	(1,278)	(2,565)	(728)	(552)	(54,760)	
Total Dis/Distrn/Supply Margin	Rs. Mn	46,478	67,054	58,582	43,902	66,565	36,169	36,469	21,242	26,382	5,166	3,771	413,779
Prior Year Adjustment	Rs. Mn	(4,209)	(923)	16,974	22,420	8,794	15,745	(297)	9,561	2,120	5,443	(7)	71,572
Revenue Requirement	Rs. Mn	328,598	704,041	470,358	378,369	551,699	315,635	207,345	173,237	133,934	70,452	75,457	3,408,305
Working Capital	Rs. Mn	(4,493)	(4,260)	(3,831)	(1,868)	(4,338)	(3,187)	(1,821)	(2,297)	(603)	(1,036)	(865)	(28,998)
Net-Revenue Requirement net of W.C	Rs. Mn	324,106	699,781	466,727	376,301	547,161	312,448	203,524	159,441	133,331	69,416	74,472	3,379,308
Avg. Tariff with Working Capital	Rs./kWh	28.10	29.85	31.97	34.24	33.49	37.31	45.44	41.38	39.88	49.03	28.60	33.38

2. The said decisions were intimated to the Federal Government, for filing of the uniform tariff application, in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter, "the Act"). The Federal Government was also requested to notify these decisions in terms of Section 31 of the NEPRA Act, while notifying the uniform tariff application decision of the Authority.
3. In response, the Ministry of Energy (MoE), Power Division (hereinafter, "MoE (PD)" or "the Petitioner"), vide letter No. Tariff/MYT 2025-26 dated 08.01.2026, filed Motion with respect to the recommendation of consumer end tariff for XWDISCOs and K-Electric for the CY 2026, under section 7 & 31 of the Act, read with Rule 17 of the NEPRA Tariff (Standards and Procedure) Rules, 1998 (hereinafter, "the Rules").
4. The MoE (PD) in its Motion stated that National Electricity Policy, 2021 (hereinafter, "the Policy") approved by the Council of Common Interests, provides under Clause 5.6.1 that the financial sustainability of the sector is premised on the recovery of full cost of service, to the extent feasible, through an efficient tariff structure, which ensures sufficient liquidity in the



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sector' and under Clause 5.6.4 states that in due course, financial self-sustainability will eliminate the need for Government subsidies (except for any subsidies for lifeline, industry or agriculture consumers, as per prevailing Government considerations). The Policy further states that in view of various parameters, including (a) the socio-economic objectives; (b) budgetary targets in field; and (c) recommendations of the Regulator with respect to consumer-end tariff for each State-Owned Distribution company, the Government may continue to propose uniform tariff across the consumers and regions. In pursuance thereto, the Regulator shall, in consumer interest, determine a uniform tariff (inclusive of quarterly adjustments) for all the State-Owned Distribution companies.

5. The MoE (PD) also stated that Section 31 (4) of the Act provides that the Authority shall, on the basis of uniform tariff application, determine a uniform tariff for public sector licensees, engaged in supply of electric power to consumers, in the consumer's interest, on the basis of their consolidated accounts. Accordingly, the Authority has been determining the uniform tariff to be charged from the consumers, including the impact of targeted subsidy and inter DISCO tariff rationalization / cross-subsidies, under the Act. The latest uniform tariff in field for XWDISCOs was determined by the Authority through its determination dated July 1, 2025 and was notified vide SRO 1157 to 1167 (I)/2025 dated July 1, 2025.
6. It was also mentioned that the Federal Government considered the schedules of tariff recommended by NEPRA for each XWDISCO for all categories of consumers dated 07.01.2026, and decided that as per the Policy, the uniform tariff should be made applicable per the provisions of section 31 (4) of the Act. Accordingly, the uniform tariff, being reflective of economic and social policy of the Federal Government and based on the consolidated revenue requirement approved and determined by the Authority for XWDISCOs (owned and controlled by the Federal Government), has been submitted for consideration and approval by the Cabinet on 08.01.2026 and in anticipation of the approval, the same is submitted to the Authority for consideration in terms of Section 31 of the Act along with the targeted tariff differential subsidy.
7. It has further been stated that inter-distribution companies' tariff rationalization is not aimed at raising any revenues for the Federal Government, as it is within the determined revenue requirements of the XWDISCOs consolidated in the terms of section 31 (4) of the Act. The tariff rationalization enables the fulfilment of the parameters set forth in the Constitution as well as the Policy. Once considered and approved, the same will lead to determination of "uniform final tariff", in terms of section 31 (7) of the Act, for notification by the Federal Government with effect from 01.01.2026, to the extent of modification of existing rates notified via SRO.1157 to 1167 (I)/2025 dated 01.07.2025, read in conformity with earlier issued applicable notifications.
8. Further, in accordance with the Policy, the Federal 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, the Federal Government's applicable tariff for K-Electric consumers will also be consistent with the





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

proposed uniform national tariff of XWDISCOs. The same has been also submitted for approval of the Federal Government and in anticipation of the approval, the same is submitted to the Authority for consideration in terms of the provisions of the Act.

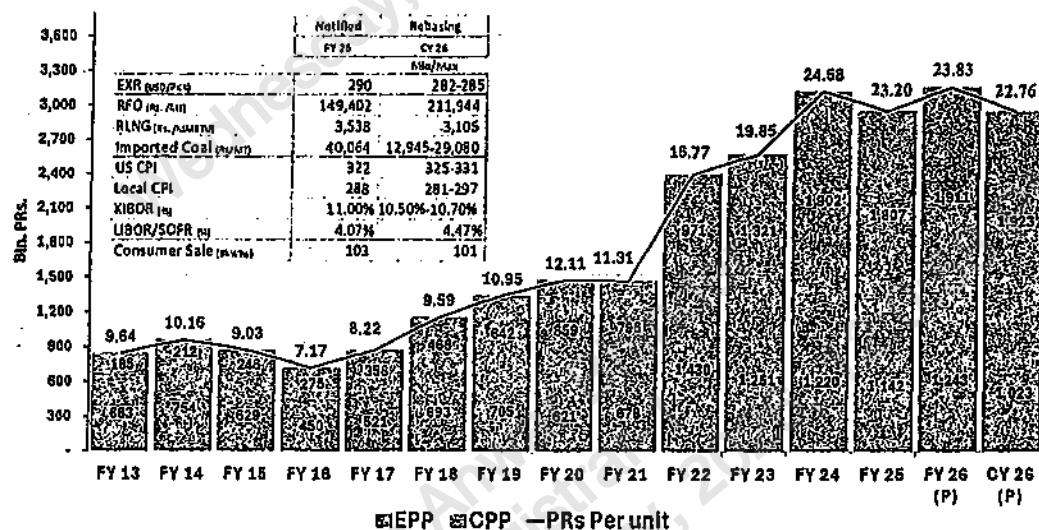
9. In light of the above, instant Motion has been filed by the Federal Government with respect to Consumer End Tariff Recommendations of XWDISCOs under section 7 and 31 of the Act read with Rule 17 of the Rules, so as to reconsider and issue the uniform schedule of tariff of XWDISCOs, by incorporating targeted subsidy and, inter distribution companies tariff rationalization pursuant to guidelines for the category of each of NEPRA determined notified rate (inclusive of subsidy/tariff rationalization surcharge/ inter disco tariff rationalization).
10. Further the Motion is also being filed with respect to Federal Government's applicable Consumer End Tariff Recommendations for K-Electric consumers, under section 7 and 31 of the Act read with Rule 17 of the Rules, so as to maintain uniform tariff across the country. The Authority is requested to issue revised Federal Government's applicable Schedule of Tariff for K-Electric Consumers to be notified with effect from 01.01.2026 in the official gazette by way of modification in SRO No 575(I)/2019 as modified from time to time.
11. Subsequently, the MoE (PD), vide letter dated 12.01.2026 conveyed the decision of the Cabinet, vide case No.7/Rule-19/2026/22 dated 11.01.2026, whereby the Cabinet approved the proposals as under:
  - a. Approve the uniform tariff of XWDISCOs, owned and controlled by the Federal Government, being reflective of economic and social policy of the Federal Government and based on the consolidated revenue requirement approved and determined by NEPRA for XWDISCOs (inclusive of targeted subsidy and inter-distribution companies tariff rationalization).
  - b. Authorize Power Division for submitting reconsideration / uniform tariff application request to NEPRA in terms of section 31 of the Act.
  - c. Authorize Power Division to notify the uniform tariff so determined by NEPRA and recommended by it as "final tariff", Power Purchase Price decision dated 07.01.2026 and XWDISCOs determination dated 07.01.2026 for notification in the official gazette, with effect from 01.01.2026 to the extent of modification of existing rates notified via SRO 1157 to 1167 (I)/2025 dated 01.07.2025, read in conformity with earlier issued applicable notifications.
  - d. Approve the application of Federal Government's applicable rate as mentioned for K-Electric consumers by way of tariff rationalization in order to maintain uniform tariff across the country with effect from 01.01.2026.
  - e. On the same pattern of XWDISCOs, authorize Power Division to approach NEPRA for issuance of Schedule of Tariff for K-Electric consumers to extent of Federal Government's applicable rates only and upon approval of NEPRA, the same may be notified with effect from 01.01.2026, in the official gazette by way of modification to the extent of Ferenal Government's applicable rates in SRO No. 575 (I)/2019 as modified from time to time.





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

12. The Authority, in order to provide a fair opportunity to the Federal Government to present its case and other relevant stakeholders, decided to conduct a hearing in the matter which was scheduled on 12.01.2026 at NEPRA Tower Islamabad along with ZOOM. Notice of hearing was published in newspapers on 09.01.2026 and also uploaded on NEPRA website along-with copy of Motion filed by the MoE (PD).
13. The hearing was held as per the schedule on 12.01.2026, wherein the Federal Government was represented by Additional Secretary, MoE (PD), along-with team from PPMC and CPPA-G. Representatives from XWDISCOs, K-Electric, media, Industry, and general public were also present during the hearing.
14. The MoE (PD) during the hearing reiterated its submissions made in the Motion and also presented briefly on tariff mechanism and how each component of the tariff is adjusted through periodic adjustments such as FCA, QTA and annual adjustment/indexations. It submitted that base tariff is an indicative tariff and the consumers pay the delta between the base tariff and the actual costs through monthly and quarterly adjustments.
15. The MoE (PD) presented the following comparison of PPP (excluding UoSC) and its break-up in terms of EPP and CPP over the years.

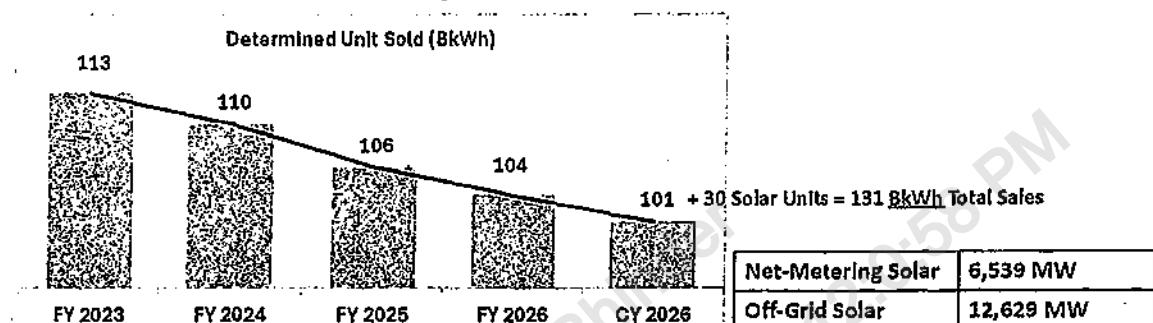


16. It was explained that over the years, determined unit sales have gone down from 113 bkh in FY 2023 to projected 101 bkh in CY 2026, primarily due to influx of solar net metering and off-grid solar. The capacity of net metering and off-grid solar has increased to 6,539 MW and 12,629 MW (as per the study carried out by PPMC) respectively, which has an impact of around Rs.3.5/kWh on grid rates.

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17. The MoE (PD) further stated that total revenue requirement of XWDISCOs for the CY 2026, as determined by NEPRA, has decreased by Rs.142 billion, as compared to FY 2025-26, resulting in reduction of Rs.0.62/kWh in the average base tariff for the CY 2026. While explaining the reasons, the MoE (PD) highlighted that major reason for reduction in average rate is decrease in the Power Purchase Price (PPP) for the CY 2026, as compared to FY 2025-26, as detailed below;

	FY 26		CY 26		Change
Units Received (BkWh)	116.40		113.58		
Units Sold (BkWh)	103.56		101.23		
T&D Losses (%)	11.04%		10.87%		
	Bln	/Unit	Bln	/Unit	/Unit
Energy Charge	1,125	10.87	924	9.12	(1.74)
Capacity Charge	1,766	17.06	1,777	17.56	0.50
UpSC	174	1.68	222	2.19	0.51
Generation Cost	3,066	29.61	2,923	28.88	(0.73)
Distribution Margin	396	3.82	414	4.09	0.26
Prior Year Adjustments	59	0.57	72	0.71	0.14
Revenue Requirement	3,521	34.00	3,408	33.67	(0.33)
Working Capital	-	-	(29)	(0.29)	(0.29)
Net Revenue Requirement	3,521	34.00	3,379	33.38	(0.61)

18. The MoE (PD) explained that although average tariff has been reduced by Rs.0.62/kWh, however, the reduction in tariff has been eaten up by change in sales mix, as the quantum of subsidized consumers has increased exponentially from 9.5 million consumers in FY 2022 to 20.71 million consumers, as of June 2025. With this shift, the consumption for such subsidized consumers has also increased from 8,527 MKWhs in FY 2020-21 to 19,711 MKWhs as of June 2025, as mentioned below;





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

	FY 2022				CY 2026			
	Total Consumers (Oct-21)		DISCOs Units		Total Consumers (Jun-25)		DISCOs Units	
	Nos	%	MWh	%	Nos	%	MWh	%
Up to 50 Units - Life Line	1,348,058	5%	357	1%	1,339,127	4%	413	1%
51-100 units - Life Line	288,126	1%	1,298	2%	487,298	1%	393	1%
01-100 Units	5,007,591	18%	3,014	6%	7,307,992	22%	15,007	29%
101-200 Units	2,901,721	10%	3,858	7%	11,574,126	34%	3,898	8%
	8,543,495	34%	8,527	16%	20,708,543	61%	19,711	38%

19. The MoE (PD) also submitted that despite this change in sales mix, the Federal Government has decided to maintain the existing applicable tariff for each category of consumers, and out of total determined revenue requirement of Rs.3,379 billion, an amount of Rs.248 billion, would be picked up by the Federal Government as subsidy, as detailed hereunder:

	GoP Variable			GoP Fixed			Subsidy		
	Consumers		Units	Jul-25	Jan-26	Change	Jul-25	Jan-26	CY 26
	Net	%	MWh	Rs./KWh	Rs./Con/M	Rs./XW/M	Rs./Con/M	Rs./KWh/M	Bn Rs.
Up to 50 Units - Life Line	849,859	2%	413	3.95	3.95		0	0	13
51-100 Units - Life Line	533,271	1%	393	7.74	7.74		0	0	11
01-100 Units [Protected]	7,640,109	20%	15,007	10.54	10.54		0	0	364
101-200 Units [Protected]	12,590,378	32%	3,898	13.01	13.01		0	0	460
01-100 Units	913,495	2%	3,003	22.44	22.44		0	0	41
101-200 Units	1,481,312	4%	5,479	28.91	28.91		0	0	47
Non-Prot. 201-300	5,632,065	15%	9,083	33.10	33.10		0	0	27
Non-Prot. > 300 & ToU	4,694,365	12%	13,399	41.10	41.10		200 - 1000	0	1000
Domestic	34,274,865	89%	51,675	25.54	25.54		0	0	521
Commercial	3,523,456	9%	7,929	37.35	37.35		1000	1250	100
General Services	228,809	1%	5,485	42.48	42.48		1000	1000	100
Industrial	301,384	1%	25,248	29.34	29.34		1000	1250	100
Bulk	2,698	0.01%	3,198	38.22	38.22		2000	2500	45
Agricultural	261,607	1%	6,501	28.99	28.99		0	400	15
Others	10,781	0%	3,198	29.02	29.02		2000	1250	(36)
National	38,603,101	100%	101,234	28.73	28.73			Subsidy Required	248

20. Various commentators during the hearing, raised their concerns about the proposed increase in tariff by the MoE (PD). Written comments were also received from Mr. Rehan Javed, an industrial user from Karachi. A summary of the written comments from the commentators are as under;

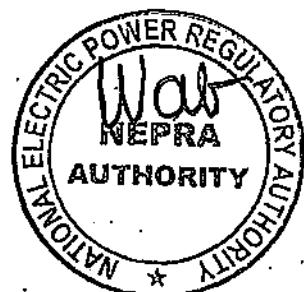
✓ Selective and Discriminatory Application of Base Tariff Reduction

The recently approved PKR 0.62 per unit reduction in base tariff has not been passed on to industrial consumers. This selective withholding is unjustified and discriminatory. When base costs decline, relief must flow uniformly.

✓ Excessive and Unsustainable Industrial Cross-Subsidy

Industrial tariffs continue to carry an estimated PKR 5-7 per unit cross-subsidy. This policy-driven burden has rendered Pakistani industry regionally uncompetitive. Removal of this cross-subsidy would immediately reduce tariffs to 9-10 US cents per unit, restoring competitiveness and supporting exports. Continuing this approach while seeking export growth reflects a policy contradiction.

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✓ Misuse of Uniform Tariff Concept

Uniform tariff is being used to conceal inefficiencies rather than correct them. Costs are being socialized upward through industrial tariffs instead of addressing DISCO inefficiencies.

✓ Structurally Flawed Industrial Tariff Design

The tariff structure ignores the distinction between 8-hour and 24-hour industrial operations. Continuous industries improve load factor and grid stability, yet receive no recognition. Failure to rationally structure B2, B3, and B4 categories discourages efficient demand behavior.

✓ Penalization of Higher Voltage Consumers

Higher voltage B3, B4 consumers are charged equal or higher tariffs despite imposing lower system costs through reduced losses and infrastructure use. This violates cost-of-service principles, discourages efficiency, and perpetuates higher system losses.

✓ Absence of Demand-Side Strategy

Despite surplus capacity and rising capacity payments, there is no credible strategy to sell electricity as a product. Tariff design suppresses demand and accelerates grid exit. Without correction, grid hollowing will continue.

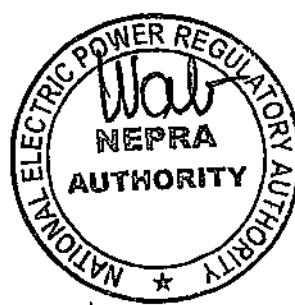
- ✓ Mr. Rehan Javed, during the hearing, reiterated his written comments.
- ✓ APTMA submitted that the inclusion of cross-subsidy in the off-peak tariff for B3 and B4 industrial consumers renders the tariff uncompetitive in international markets. It was contended that electricity tariffs in competing regional and global markets range between 5 to 9 US cents per kWh, whereas the prevailing industrial tariff in Pakistan stands at approximately 12.90 US cents per kWh, as submitted by the Ministry of Energy. APTMA further submitted that protected residential consumers are being heavily subsidized, the burden of which is being cross-subsidized by industrial consumers.
- ✓ Mr. Aamir Sheikh, Mr. Rehan Javed, Mr. Asim Riaz, and Mr. Arif Bilwani opposed the continuation of cross-subsidy being borne by industrial consumers. They submitted that a rationalized and lower industrial tariff would enable industries to expand operations, enhance export competitiveness, and generate employment. It was further argued that industrial growth would indirectly uplift low-consumption residential consumers through increased economic activity, while simultaneously reducing the fiscal burden of subsidies borne by the Federal Government.
- ✓ Mr. Arif Bilwani also requested that the peak and Off-peak rates should be abolished to the extent of industry.
- ✓ Mr. Aamir Sheikh further submitted that a reduction in the reference tariff on account of PPP could potentially lead to positive periodic adjustments, thus leading to increase in industrial tariff.

Wab





- ✓ Mr. Asghar Khattak submitted that effective CD management remains critical and emphasized that improved governance and utilization of funds recovered through the PHL surcharge could help alleviate reliance on cross-subsidization by industrial consumers.
  - ✓ Mr. Rehan Javed also submitted that as per CD report for September 2025, there is a loss of Rs. 87 billion on account of losses and Rs 84 billion on account of under recovery by XWDISCOs from July to September 2025. He further added that CD is being paid by the consumers through DSS of Rs 3.23 /kWh, which should not have been there if the tariff setting was appropriate and power sector was performing better.
21. The MoE (PD) provided its written response on the comments submitted in writing as well as raised during the hearing by stakeholders are as under;
- ✓ **Selective and Discriminatory Application of Base Tariff Reduction**  
There is no change in base tariff of any consumer category / slab, therefore there is no selective or discriminatory treatment with industries. The reduction in NEPRA rate has been absorbed by a substantial change in domestic consumer mix towards low-tariff protected class. Accordingly, the national average applicable rate has also been decreased by Rs. 0.66/unit.
  - ✓ **Excessive and Unsustainable Industrial Cross-Subsidy**  
NEPRA has determined the tariff of all categories / slabs at their cost of service. Accordingly, the true picture reflects industrial cross subsidy of Rs. 4/unit. Since June 2024, the industrial cross subsidy burden has already been reduced by Rs. 123 billion. The Federal Government is making further efforts to reduce the cross-subsidy burden from industrial sector gradually.
  - ✓ **Misuse of Uniform Tariff Concept**  
The uniform tariff is designed to ensure national tariff equity and system stability while comprehensive reforms are undertaken to address DISCO inefficiencies through stricter performance benchmarks, enhanced regulatory oversight, loss-reduction targets, and governance improvements. The Federal Government remains committed to protecting industrial competitiveness and to transitioning toward a tariff regime where efficiency gains are transparently reflected and inefficiencies are systematically eliminated.
  - ✓ **Structurally Flawed Industrial Tariff Design & Penalization of Higher Voltage Consumers**  
The tariff for B4 industrial category is lower than the B3 industry which is again lower than the B2 industrial consumers, taking into account both variable and fixed charges, which is in line with the efficiency economic principles.
  - ✓ **Absence of Demand-Side Strategy**  
The rapid growth of behind-the-meter solar and net metering has altered electricity demand patterns, creating a gap between available generation capacity and grid-based demand. To address this imbalance, multiple demand-stimulation initiatives are being





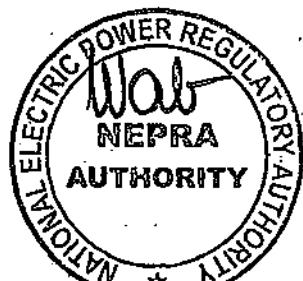
implemented, including an incremental incentive package aimed at enhancing demand and optimizing the utilization of surplus capacity.

22. The Authority has thoroughly examined the submissions made in the Motion, comments of the stakeholders and available record and noted that as per the section 31(4) of the Act, the Authority has been mandated to determine a uniform tariff as reproduced below;

*31. Tariff. - (4) Subject to sub-sections (2) and (3), the Authority shall, on the basis of uniform tariff application, determine a uniform tariff for public sector licensees, engaged in supply of electric power to consumers, in the consumer's interest.*

23. Further, the Policy under Clause 5.6.3 states that the Regulator shall in public consumer interest, determine a uniform tariff (inclusive of quarterly adjustments) for all the state-owned distribution companies. Additionally, 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.
24. The Authority also observed that the Petitioner in its Motion and also during the hearing has submitted that inter disco tariff rationalization is not aimed at raising any revenues for the Federal Government as it is within the determined consolidated revenue requirement of all the XWDISCOs for the CY 2026, rather the Federal Government would be providing a subsidy of around Rs.248 billion to different consumer categories during the period.
25. In light of the above and keeping in view of the relevant provisions of Act & Policy and the fact that the uniform tariff proposed by the Federal Government is within the determined consolidated revenue requirement of all the XWDISCOs for the CY 2026, the Authority has no objection in approving the Motion.
26. In view of the aforementioned discussion, the Authority has determined uniform tariff as required under section 31(4) of the Act, which is attached herewith as Annex-A & A-I. The Uniform Tariff so determined by the Authority includes impact of PYA of Rs.71.572 billion, to be passed on in a period of twelve months from the date of notification of the instant decision. Therefore, after a period of one year from the date of notification of the instant decision, the uniform tariff after excluding the impact of PYA is attached herewith as Annex-B & B-I, which would become applicable. For K-Electric, the applicable uniform tariff is attached as Annex-C.
27. Here it is pertinent to mention that the MoE (PD) has submitted to apply the tariff for both XWDISCOs and K-Electric consumers w.e.f. 01.01.2026. The Authority understands that NEPRA determined the revenue requirement / tariff for XWDISCOs for the CY 2026 i.e. January to December. If the tariff is not notified w.e.f. 1<sup>st</sup> January, it may result in under/over recovery of the allowed revenue requirement which would be adjusted in the next year's tariff as prior year adjustment. Therefore, in line with section 31(3)(a) which states that tariffs should allow licensee the recovery of any and all costs prudently incurred to meet the demonstrated needs of their customers, it would be appropriate to charge the tariff with effect from 1<sup>st</sup> January for the relevant year. The Authority thus, agrees with the request of the MoE (PD) to apply the tariff w.e.f. 01.01.2026.

*Maw* ♀





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

28. The Federal Government while notifying the instant decision, shall also notify the individual decisions of the Authority issued in the matter of each XWDISCO along-with decision of Power Purchase Price (PPP) forecast for the CY 2026, dated 07.01.2026.

**AUTHORITY**

Amina Ahmed

Member

Engr. Maqsood Anwar Khan

Member

Waseem Mukhtar

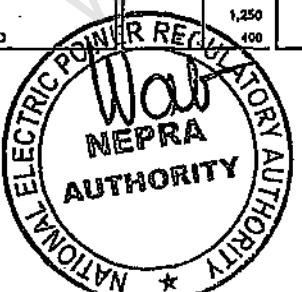
Chairman



Waseem Mukhtar  
Chairman

10/18

Description	Fixed Charges		Variable Charges (Rs./kWh)											
	NEPRA		NEPRA Determined Tarif											
Rs. / Cons. / Month	Rs. / kW / Month	PESCO	HERCO	GEPCO	QESCO	MEPCO	PEESCO	TEESCO	WEESCO	IBERCO	TESCO	NAZECO	Uniform National NEPRA Determined Tarif with PYA	
<b>Residential</b>														
For peak load requirement less than 5 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Up to 50 Units - Life Line	-	-	34.19	38.63	32.39	46.45	29.48	35.68	37.22	35.11	39.73	50.81	27.81	36.13
51-100 units - Life Line	-	-	34.60	39.24	32.93	47.06	30.09	38.29	37.03	33.77	40.34	61.42	28.52	36.13
01-100 Units	-	-	37.41	43.78	36.79	50.75	32.87	35.84	35.81	31.18	41.30	51.47	28.88	36.13
101-200 Units	-	-	37.28	43.82	36.85	50.53	32.74	35.81	35.48	31.03	41.17	51.39	29.85	36.13
01-100 Units	-	-	35.90	51.57	38.32	54.62	33.16	35.84	35.13	30.71	43.82	54.05	28.47	38.13
101-200 Units	-	-	36.71	53.00	35.35	58.04	34.68	34.75	33.38	29.37	45.24	55.47	30.27	38.13
201-300 Units	-	-	36.87	53.09	38.84	58.17	34.89	35.25	34.05	29.98	45.32	55.54	30.44	38.13
301-400 Units	200	-	37.87	52.65	35.60	55.69	33.97	34.37	32.82	29.72	44.47	56.34	29.11	35.56
401-500 Units	400	-	37.25	52.14	35.18	55.27	33.55	33.85	32.41	28.31	44.05	54.82	28.88	35.23
501-600 Units	500	-	37.05	51.93	34.98	55.13	33.35	33.74	32.20	29.10	43.85	54.72	28.49	34.97
601-700 Units	600	-	36.92	51.80	34.84	54.98	33.21	33.61	32.07	28.97	43.38	54.60	28.35	34.81
Above 700 Units	1,000	-	36.79	51.65	34.68	54.83	33.05	33.48	31.92	28.82	43.24	54.47	28.23	34.07
For peak load requirement exceeding 5 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Time of Use (TOU) - Peak	1,000	-	37.50	52.42	35.35	55.54	33.88	34.22	32.65	29.57	44.00	55.18	28.93	33.08
Time of Use (TOU) - Off-Peak	-	-	34.97	49.90	32.82	53.02	31.16	31.69	30.15	27.05	41.47	52.87	26.41	30.81
Temporary Supply	2,000	-	40.80	59.37	37.93	61.89	36.70	37.38	35.24	30.85	48.24	62.59	32.04	34.31
<b>Total Residential</b>														
<b>Commercial - A2</b>														
For peak load requirement less than 5 kW	1,000	-	26.77	41.78	24.89	44.87	22.77	23.84	21.85	18.90	33.23	44.42	17.83	24.54
For peak load requirement exceeding 5 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Regular	-	1,250	27.45	42.45	25.38	42.77	23.46	24.53	22.63	19.59	33.92	42.32	18.53	28.43
Time of Use (TOU) - Peak	-	-	35.90	50.85	33.84	53.88	32.08	32.95	31.24	28.05	39.88	53.11	26.97	33.08
Time of Use (TOU) - Off-Peak	-	1,250	26.00	42.95	25.74	45.66	24.19	24.93	23.35	20.15	32.09	45.21	19.07	25.12
Temporary Supply	5,000	-	39.82	67.80	36.40	60.12	34.83	36.11	33.84	29.17	45.55	60.90	26.98	34.88
Electric Vehicle Charging Station (EVCS)	-	-	33.71	52.05	33.29	53.48	16.51	15.51	24.62	17.50	41.84	58.33	27.27	33.08
<b>Total Commercial</b>														
<b>General Services-A3</b>														
1,000	-	33.10	47.90	31.16	51.06	29.01	29.84	26.21	24.99	35.76	50.36	24.17	32.38	
<b>Industrial</b>														
B1	1,000	-	43.50	40.84	32.91	57.23	37.05	30.70	29.35	31.07	32.82	37.08	35.01	32.55
B1 Peak	1,000	-	46.72	43.37	35.98	60.09	40.18	32.48	31.05	33.06	38.13	40.27	38.12	35.00
B1 Off Peak	-	1,250	41.28	38.32	35.55	54.65	34.75	28.40	28.08	29.01	31.08	34.84	32.89	30.82
B2	-	1,250	42.09	38.75	31.38	65.48	35.50	27.65	26.58	28.23	31.44	35.67	33.60	27.87
B2- TOU (Peak)	-	1,250	46.53	42.93	35.73	59.87	39.90	31.05	30.72	31.95	35.88	40.25	37.84	35.00
B2- TOU (Off-peak)	-	1,250	36.91	32.47	28.72	50.81	29.93	22.05	20.73	23.54	26.71	32.35	28.13	25.49
B3- TOU (Peak)	-	1,250	49.58	43.07	36.01	60.15	40.04	32.24	30.90	31.13	35.77	40.41	37.99	35.00
B3- TOU (Off-peak)	-	1,250	31.98	28.47	21.41	45.53	23.44	17.64	16.30	16.62	21.18	23.61	23.39	20.83
B4- TOU (Peak)	-	1,250	46.58	43.03	35.11	59.23	39.93	32.23	30.99	31.87	35.67	39.41	37.98	35.00
B4- TOU (Off-peak)	-	1,250	35.72	32.17	25.25	49.98	30.07	21.37	20.13	20.91	24.80	29.55	28.12	24.24
Temporary Supply	5,000	-	47.57	48.08	36.37	63.99	40.98	33.39	31.34	32.11	38.51	45.40	38.97	35.13
<b>Total Industrial</b>														
<b>Single Point Supply</b>														
C1(n) Supply at 400 Volts-less than 5 kW	2,000	-	34.81	51.24	32.81	52.91	32.80	31.83	30.98	28.58	41.56	51.58	25.37	34.11
C1(p) Supply at 400 Volts-exceeding 5 kW	-	1,250	21.30	37.73	19.30	39.40	18.08	18.32	17.45	15.07	28.05	35.85	12.88	27.80
Time of Use (TOU) - Peak	-	-	32.70	49.22	30.84	50.74	30.56	29.70	29.02	28.43	39.81	49.12	24.27	35.00
Time of Use (TOU) - Off-Peak	-	1,250	28.35	42.87	23.89	44.39	24.21	23.38	22.67	20.08	31.18	42.77	17.92	28.12
C2 Supply at 11 KV	-	1,250	22.00	38.44	18.14	40.10	19.79	18.03	18.18	15.77	28.76	38.91	13.67	21.33
Time of Use (TOU) - Peak	-	-	35.00	52.10	33.47	53.39	33.13	32.38	31.37	29.06	42.35	52.18	28.58	35.00
Time of Use (TOU) - Off-Peak	-	1,250	19.26	35.82	17.20	37.32	17.56	16.58	16.58	13.30	25.79	36.95	11.37	19.33
C3 Supply above 11 KV	-	1,250	30.09	45.21	27.85	48.88	27.80	28.98	28.03	23.63	35.94	45.58	21.85	37.37
Time of Use (TOU) - Peak	-	-	39.82	54.94	37.59	58.61	37.53	36.71	35.77	33.36	45.27	55.29	31.38	36.00
Time of Use (TOU) - Off-Peak	-	1,250	28.14	43.27	25.91	44.94	25.88	25.03	24.08	21.68	33.59	43.81	19.71	23.46
<b>Total Single Point Supply</b>														
<b>Agricultural Tube-wells - Tariff D</b>														
Scap	-	-	27.08	42.24	25.06	44.87	23.16	24.10	21.30	19.16	33.81	43.88	18.07	32.86
Time of Use (TOU) - Peak	-	-	24.05	38.29	22.00	41.75	20.35	21.28	17.95	15.17	30.93	40.83	15.07	35.00
Time of Use (TOU) - Off-Peak	-	400	21.98	37.12	19.83	39.56	18.18	19.09	15.79	14.00	28.78	38.45	12.80	31.30
Agricultural Tube-wells	-	400	34.88	49.45	32.52	32.56	30.69	31.83	26.75	28.77	41.68	61.51	25.85	32.52
Time of Use (TOU) - Peak	-	-	35.47	53.48	33.32	55.17	34.49	35.44	32.82	30.52	45.37	55.35	28.48	35.00
Time of Use (TOU) - Off-Peak	-	400	28.43	48.10	27.76	51.74	29.03	28.82	20.21	37.84	50.78	24.88	26.70	28.70
<b>Total Agricultural</b>														
Public Lighting - Tariff G	2,000	-	31.81	46.97	29.82	49.89	27.72	28.93	27.78	23.71	38.37	49.24	22.38	32.60
Residential Colonies	2,000	-	26.95	42.41	24.95	45.03	23.05	24.27	23.08	19.05	33.70	44.57	17.71	25.80
Railway Trackline	2,000	-	-	-	-	-	25.09	-	26.04	-	-	-	-	20.01
Tariff K - AJK	-	1,250	-	-	24.99	-	-	-	-	21.88	-	-	16.55	21.88
Time of Use (TOU) - Peak	-	-	-	-	31.32	-	-	-	-	25.49	-	-	24.88	20.01
Time of Use (TOU) - Off-Peak	-	1,250	-	-	28.82	-	-	-	-	20.79	-	-	20.16	21.38
Tariff K - Rawal Lab	2,000	-	-	-	-	-	-	-	-	25.80	-	-	-	25.00
<b>Total Agricultural</b>														
<b>Pre-paid Supply Tariff</b>														
Residential	1,000	-	42.50	55.11	41.19	60.84	36.48	40.41	38.62	34.25	46.50	62.55	34.28	40.95
Commercial - A2	-	1,250	32.05	50.12	30.37	53.50	28.31	29.50	27.63	24.13	38.31	52.38	22.84	29.95
General Services - A3	1,000	-	38.07	55.09	35.83	56.71	33.38	34.43	32.45	28.73	45.74	57.81	27.80	37.23
Industrial	-	1,250	42.07	57.93	30.50	57.01	35.14	35.87	33.77	25.98	32.34	32.92	30.22	34.05
Single Point Supply	-	1,250	28.98	49.58	29.92	47.47	25.17	26.45	25.68	23.07	35.55	48.43	19.88	27.84
Agriculture Tube-wells - Tariff D	400	35.13	50.10	34.07	37.44	35.03	39.17	32.05	25.89	42.61	59.15	29.32	36.04	-



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Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	UNIFORM DETERMINED TARIFF WITH FVA VARIABLE CHARGES	GOF APPLICABLE VARIABLE CHARGES
		Rs. / Conc. / M	Rs./kWh/M	Rs./kWh	Rs./kWh
		A	B	C	D
i)	For Domestic load less than 5 kW				
i	Up to 50 Units - Life Line			26.10	3.90
ii	51 - 100 Units - Life Line			26.10	7.74
iii	101 - 100 Units			26.10	10.54
iv	101 - 200 Units			26.10	13.01
v	201 - 100 Units			26.10	22.44
vi	101 - 200 Units			26.10	28.91
vii	201 - 300 Units			26.10	33.10
viii	301 - 400 Units	200		26.10	37.59
ix	401 - 600 Units	400		26.23	40.20
x	601 - 600 Units	600		24.97	41.62
xi	601 - 700 Units	700		24.81	42.79
xii	Above 700 Units	2,000		26.07	47.69
ii)	For Domestic load 5 kW & above				
Time of Use				Peak	Off-Peak
iii) Non-Residential Domestic Category		1,000		46.86	40.93
iv) Non-Residential Industrial Category		1,000		33.08	30.81
				40.00	45.12

As per Authority's decision only protected confidential consumers will be given the benefit of one previous slab.

As per Authority's decision, residential life line consumer will not be given any slab benefit. Under tariff A-1, there shall be additional monthly customer charge at the following rates even if no energy is consumed. For consumers where monthly fixed charges are applicable, no minimum charges shall be applicable on such consumers, even if no energy consumed.

applicable, no minimum charges shall be applicable on such consumers, even for an energy consumed at single phase connections.

Fig. 7—(Continued) per consumer per month.  
Fig. 8—(Continued) per consumer per month.  
Fig. 9—(Continued) per consumer per month.

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GENERAL SUPPLY TARIFES COMMERCIAL 1942

Sl. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	PFCRD CHARGES Rs./ kWh / M	UNIFORM DETERMINED TARIFF WITH PVA VARIABLE CHARGES		GOP APPLICABLE VARIABLE CHARGES Rs./kWh
		Rs. / kWh / M		G	Rs./kWh	
a)	For Sanctioned Load less than 5 kW	1,000			24.84	37.44
b)	For Sanctioned Load 5 kW & above		1,350		25.43	39.76
c)	Time of Use	-		32.05	43.82	43.82 Off-Peak
d)	Electric Vehicle Charging Station	-	1,350	24.12	-	36.15
e)	Domestic Commercial Domestic Tariff	-	1,240	23.05	33.08	33.08
					42.36	42.36

Figure Three: Figure 16 in Table 1. **PERIODIC PAYMENTS:** The payments shall be paid in four (4) equal monthly installments, and paid on the first day of the month which occurs 30 calendar days after the date of the original payment.

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Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	WHICHVER DETERMINED TARIFF WITH PVA VARIABLE CHARGES	GOP APPLICABLE VARIABLE CHARGES
		Rs. / Case / M	Rs /kW/M	Rs /kWh	Rs /kWh
51	General Services	1,000	-	32.36	45.48
51	Prepaid General Services Burette Tariff	1,000	-	37.33	42.48

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Where Fixed Charges are applicable Rs./Kw/Hr/Month, the charges shall be billed based on 25% of maximum Load or Actual MDL for the month which ever is higher.

Sl. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	UNIFORM DETERMINED TARIFF WITH VARIABLE CHARGES	GOP APPLICABLE VARIABLE CHARGES
		Rs. / Cent / M	Rs. / M	Rs. /kWh	Rs. /kWh
91	Up to 25 kW (at 400/250 Volts)	1,000	-	32.65	36.90
92(a)	exceeding 25-600 kW (at 400 Volts)	-	1,260	27.67	30.73
M1   M2	Time Of Use Up to 25 kW	1,000	-		
M3(a)	exceeding 25-600 kW (at 400 Volts)	-	1,260	36.00	36.62
M3	For All Loads up to 3000 kW (at 11.33 kV)	-	1,260	35.00	32.49
M4	For All Loads (at 60,100.2 kW & above)	-	1,260	36.00	36.62
Per. Vol. Industrial Standard Tariff					
		-	1,260	35.00	32.49
				29.28	30.73

For the 1st through 10th, 16th through 20th, the shares shall be divided based on 90% of the total funds and 10% of the total FOF for the month which ends to 10th.

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Sl. No.	TARIFF CATEGORY / PARTICULARS	FOOD CHARGES Rs. / Cents / M	FIXED CHARGES Rs./kW/M	UNIFORM DETERMINED TARIFF WITH FVA VARIABLE CHARGES		GDP APPLICABLE VARIABLE CHARGES Rs./kWh
				A	B	
G-1	For supply at 400/230 Volts					
a)	Unenclosed load less than 4 kW		2,000		34.11	43.39
b)	Unenclosed load 6 kW & up to 400 kW			1,280	37.69	40.63
G-2(a)	For supply at 11,53.5V up to and including 3000 kW			1,280	31.33	40.07
G-3(a)	For supply at 44 kV & above and unenclosed load above 3000 kW		1,280		37.37	40.77
	Time of Use					
G-1(c)	For supply at 400/230 Volts 6 kW & up to 500 kW			1,280	38.00	39.13
G-2(c)	For supply at 11,53.5V up to and including 3000 kW			1,280	36.00	39.33
G-3(c)	For supply at 44 kV & above and unenclosed load above 3000 kW		1,280	36.00	33.45	46.31
Per Fals Bulk Supply Tariff						
				1,280	37.84	44.87

Where Meter Charges are applicable to New/Month, the charges shall be billed based on 20% of sanctioned Load or Actual MDU for the months which are to higher.



**UNIFORM DETERMINED TARIFF WITH PVA VARIABLE CHARGES**  
**DISJUNCTIVE NATIONAL AVERAGE UNIFORM DETERMINED TARIFFS WITH PVA ALONG WITH GOF APPLICABLE TARIFFS**  
**DISJUNCTIVE NATIONAL AVERAGE UNIFORM DETERMINED TARIFFS WITH PVA ALONG WITH GOF APPLICABLE TARIFFS**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES		UNIFORM DETERMINED TARIFF WITH PVA VARIABLE CHARGES		GOF APPLICABLE VARIABLE CHARGES Rs./kWh
		Rs. / Cent. / M	Rs./kWh/M	Rs./kWh	Rs./kWh	
D-1(a)	SCARP less than 2 kW				32.68	39.67
D-1(b)	Agricultural Tube Wells		400		32.68	38.80
D-1(c)	SCARP 2 kW & above			Peak	Off-Peak	
D-2(a)	Residential 5 kW & above		400	63.00	61.30	42.59
D-2(b)	Commercial 5 kW & above		400	36.00	39.70	39.54
D-2(c)	Industrial 5 kW & above		400	36.00	36.04	38.69
	Prepaid or Act & Escap					

Under this tariff, there shall be minimum monthly charges Rs.2000/- per consumer per month, even if no energy is consumed.  
 Note: The consumers having sanctioned load less than 5 kW can opt for TOL metering.

**DISJUNCTIVE NATIONAL AVERAGE UNIFORM DETERMINED TARIFFS WITH PVA VARIABLE CHARGES**  
**DISJUNCTIVE NATIONAL AVERAGE UNIFORM DETERMINED TARIFFS WITH PVA VARIABLE CHARGES**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES		UNIFORM DETERMINED TARIFF WITH PVA VARIABLE CHARGES		GOF APPLICABLE VARIABLE CHARGES Rs./kWh
		Rs. / Cent. / M	Rs./kWh/M	Rs./kWh	Rs./kWh	
E-1(a)	Residential Supply	2,000			34.21	37.94
E-1(b)	Commercial Supply	8,000			34.68	33.44
E-2	Industrial Supply	8,000			35.13	42.26

**DISJUNCTIVE NATIONAL AVERAGE UNIFORM DETERMINED TARIFFS WITH PVA VARIABLE CHARGES**  
**SEASONAL INDUSTRIAL SUPPLY TARIFFS**

100% of seasonal Industrial tariff  
 Note: Tariff consumer 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, a the option remains in force for at least one year.

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES		FIXED CHARGES		UNIFORM DETERMINED TARIFF WITH PVA VARIABLE CHARGES Rs./kWh	GOF APPLICABLE VARIABLE CHARGES Rs./kWh
		Rs. / Cent. / M	Rs./kWh/M	Rs./kWh	Rs./kWh		
	Street Lighting		2,000			33.60	42.91

**DISJUNCTIVE NATIONAL AVERAGE UNIFORM DETERMINED TARIFFS WITH PVA VARIABLE CHARGES**  
**RESIDENTIAL CONSUMERS IN INDUSTRIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES**

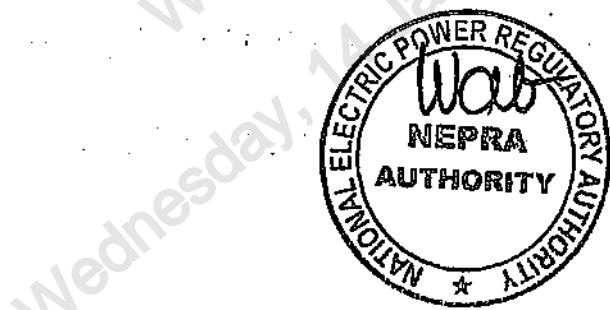
Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES		FIXED CHARGES		UNIFORM DETERMINED TARIFF WITH PVA VARIABLE CHARGES Rs./kWh	GOF APPLICABLE VARIABLE CHARGES Rs./kWh
		Rs. / Cent. / M	Rs./kWh/M	Rs./kWh	Rs./kWh		
	Residential Category attached to Industrial premises		2,000			35.60	42.10

**DISJUNCTIVE NATIONAL AVERAGE UNIFORM DETERMINED TARIFFS WITH PVA VARIABLE CHARGES**  
**SPECIAL CONTRACTED TARIFFS FOR RAILWAY TRACTION**

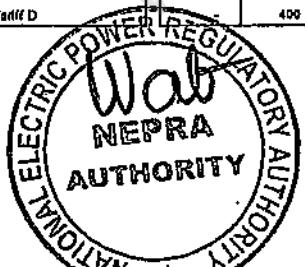
Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES		FIXED CHARGES		UNIFORM DETERMINED TARIFF WITH PVA VARIABLE CHARGES Rs./kWh	GOF APPLICABLE VARIABLE CHARGES Rs./kWh
		Rs. / Cent. / M	Rs./kWh/M	Rs./kWh	Rs./kWh		
1	Fixed Charges in Headline (A+M)			1,240		31.68	36.45
	Time of Use				1,240	28.01	31.38
2	Dynamic Link		3,000			32.80	42.25
	Network Traction		2,000			26.01	42.59

**DISJUNCTIVE NATIONAL AVERAGE UNIFORM DETERMINED TARIFFS WITH PVA VARIABLE CHARGES**  
**RAILWAY TRACTION**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES		FIXED CHARGES		UNIFORM DETERMINED TARIFF WITH PVA VARIABLE CHARGES Rs./kWh	GOF APPLICABLE VARIABLE CHARGES Rs./kWh
		Rs. / Cent. / M	Rs./kWh/M	Rs./kWh	Rs./kWh		
	Network Traction		2,000			26.01	42.59



Description	Fixed Charges		Variable Charges (Rs./kWh)												
	NEPRA Determined		NEPRA Determined Tariff												
Rs. / Cons. / Month	Rs. / kW / Month	PESCO	ESCO	SEPCO	GEESCO	MEPCO	SEPCO	LESCO	ESCO	SEPCO	SEPCO	ESCO	SEPCO	SEPCO	GEESCO
<b>Residential</b>															
For peak load requirement less than 5 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Up to 50 Units - Life Line	-	-	32.31	35.69	30.35	45.09	25.94	34.92	37.26	39.48	38.10	48.98	27.91	-	35.43
51-100 units - Life Line	-	-	32.92	39.30	30.88	45.70	29.55	35.13	37.07	34.14	38.71	47.37	28.52	-	35.37
01-100 Units	-	-	35.53	43.82	34.75	49.40	32.34	34.78	35.65	31.53	40.87	47.82	29.98	-	35.03
101-200 Units	-	-	35.40	43.69	34.81	49.27	32.20	34.64	35.52	31.40	40.53	47.49	29.85	-	35.31
01-100 Units	-	-	34.02	51.64	34.28	53.28	32.62	34.68	35.17	31.08	42.19	50.20	28.47	-	35.35
101-200 Units	-	-	34.53	53.08	33.31	54.69	34.09	33.58	33.42	29.73	44.01	51.83	30.25	-	35.34
201-300 Units	-	-	34.99	53.18	33.80	54.81	34.19	34.09	34.10	30.35	44.69	51.89	30.44	-	35.30
301-400 Units	200	-	35.79	52.82	33.68	54.33	33.43	33.20	32.67	30.09	43.83	51.49	31.70	-	34.70
401-500 Units	400	-	35.37	52.20	33.14	53.91	33.01	32.75	32.45	29.87	43.42	51.08	28.89	-	34.58
501-600 Units	600	-	35.47	52.00	32.84	53.77	32.81	32.58	32.25	29.47	43.21	50.87	28.49	-	34.15
601-700 Units	800	-	35.04	51.86	32.60	53.62	32.68	32.45	32.11	29.33	42.78	50.78	28.38	-	34.03
Above 700 Units	1,000	-	34.91	51.71	32.64	53.48	32.51	32.28	31.98	29.18	42.60	50.63	28.23	-	34.30
For peak load requirement exceeding 5 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Time of Use (TOU) - Peak	1,000	-	35.82	52.49	33.31	54.18	33.16	33.05	32.72	29.94	43.38	51.34	28.84	-	32.74
Time of Use (TOU) - Off-Peak	-	-	33.09	49.97	30.78	51.68	30.62	30.53	30.19	27.42	40.84	48.02	26.41	-	30.28
Temporary Supply	2,000	-	38.72	59.43	35.89	60.33	36.18	36.22	35.28	31.22	47.61	58.75	32.04	-	33.90
<b>Total Residential</b>															
<b>Commercial - A2</b>															
For peak load requirement less than 5 kW	1,000	-	24.89	41.82	22.65	43.52	22.23	22.67	21.98	19.28	32.58	40.58	17.84	-	23.88
For peak load requirement exceeding 5 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Regular	-	1,250	25.68	42.51	23.34	41.41	22.92	23.37	22.67	19.95	33.28	38.47	18.53	-	28.10
Time of Use (TOU) - Peak	-	-	34.02	50.81	31.80	52.50	31.64	31.78	31.20	28.42	39.38	49.27	26.87	-	32.54
Time of Use (TOU) - Off-Peak	-	1,250	26.12	43.02	23.70	44.80	23.85	23.77	23.39	20.52	31.46	41.37	19.07	-	24.80
Temporary Supply	5,000	-	37.04	57.87	34.35	58.76	34.29	34.95	33.59	29.54	45.91	57.05	29.98	-	34.22
Electric Vehicle Charging Station (EVCS)	-	-	31.83	52.14	31.25	52.12	31.07	14.35	24.88	17.82	41.21	52.49	27.28	-	31.08
<b>Total Commercial</b>															
<b>General Services-A3</b>															
Industrial	1,000	-	31.22	47.97	29.12	49.79	26.47	28.78	28.28	28.35	39.14	48.81	24.17	-	31.84
B1	1,000	-	41.82	40.91	30.68	55.87	38.51	29.54	29.40	31.43	32.18	33.23	35.01	-	31.68
B1 Peak	1,000	-	44.84	43.44	33.94	58.73	38.65	31.28	31.09	33.43	35.50	38.43	35.13	-	34.12
B1 Off-Peak	-	-	39.40	38.39	28.51	53.30	34.21	27.24	27.03	29.38	30.44	30.98	32.89	-	29.69
B2	-	1,250	40.21	38.83	28.35	54.12	35.05	26.70	28.80	30.81	31.83	33.81	32.79	-	32.54
B2 - TOU (Peak)	-	-	44.85	42.99	33.69	58.31	39.38	30.89	30.78	32.31	35.23	36.40	37.94	-	34.25
B2 - TOU (Off-peak)	-	1,250	35.03	32.64	24.68	49.46	29.39	20.90	20.77	23.80	28.07	28.51	26.13	-	24.71
B3 - TOU (Peak)	-	-	44.70	43.14	33.97	58.79	39.51	31.08	30.94	31.49	35.13	36.56	37.99	-	34.38
B3 - TOU (Off-peak)	-	1,250	30.10	28.63	19.37	44.19	24.80	18.47	18.34	18.98	20.53	21.95	23.39	-	19.02
B4 - TOU (Peak)	-	-	44.70	43.09	33.07	57.87	39.39	31.07	31.03	32.03	35.03	35.58	37.89	-	34.57
B4 - TOU (Off-peak)	-	1,250	34.84	32.29	23.21	48.03	29.53	20.21	20.17	21.27	24.17	25.70	28.13	-	23.80
Temporary Supply	5,000	-	45.89	48.14	34.33	62.83	40.42	32.23	31.38	32.48	37.48	41.86	38.98	-	34.08
<b>Total Industrial</b>															
<b>Single Point Supply</b>															
C1(a) Supply at 400 Volts-less than 5 kW	2,000	-	32.93	51.30	30.77	51.55	32.08	30.67	31.00	26.94	40.93	47.74	26.38	-	33.95
C1(b) Supply at 400 Volts-exceeding 5 kW	-	1,250	19.42	37.79	17.27	38.04	18.55	17.18	17.49	15.43	27.42	32.90	12.87	-	27.74
Time of Use (TOU) - Peak	-	-	33.82	49.28	28.00	49.38	30.02	25.54	28.08	25.79	38.87	45.28	24.27	-	31.25
Time of Use (TOU) - Off-Peak	-	1,250	24.47	42.94	21.85	43.03	23.07	22.19	22.71	20.45	32.52	38.93	17.92	-	28.34
C2 Supply at 11 kV	-	1,250	20.12	38.50	16.10	38.75	19.26	17.87	18.28	18.14	24.13	33.08	13.57	-	21.19
Time of Use (TOU) - Peak	-	-	33.12	52.17	31.43	52.03	32.59	31.21	31.41	28.43	41.72	48.33	28.57	-	34.38
Time of Use (TOU) - Off-Peak	-	1,250	17.38	35.68	15.18	35.98	17.02	15.42	15.82	13.68	25.15	33.11	11.37	-	18.70
C3 Supply above 11 kV	-	1,250	25.21	45.28	25.82	45.52	27.28	25.81	28.08	23.09	34.91	41.72	21.60	-	30.87
Time of Use (TOU) - Peak	-	-	37.94	65.01	35.55	55.28	38.88	35.55	35.81	33.72	44.86	51.45	31.39	-	30.05
Time of Use (TOU) - Off-Peak	-	1,250	20.26	43.19	23.87	43.85	25.32	23.87	24.13	22.04	32.98	39.77	19.71	-	24.48
<b>Total Single Point Supply</b>															
<b>Agricultural Tube-wells - Tariff D</b>															
Scarp	-	-	25.18	42.30	23.02	43.51	22.93	22.84	21.34	18.82	33.18	38.84	18.08	-	32.22
Time of Use (TOU) - Peak	-	-	22.17	39.36	19.07	40.40	18.81	20.10	18.00	16.54	30.30	30.78	15.07	-	34.88
Time of Use (TOU) - Off-Peak	-	400	20.00	37.18	17.79	38.22	17.64	17.93	18.83	14.38	28.12	34.61	12.90	-	31.11
Agricultural Tube-wells	-	400	32.80	49.51	30.48	51.20	30.16	30.47	28.79	27.13	41.03	47.87	25.68	-	31.18
Time of Use (TOU) - Peak	-	-	38.59	53.53	34.28	54.81	33.98	34.28	32.68	30.88	44.73	51.91	29.49	-	34.38
Time of Use (TOU) - Off-Peak	-	400	26.55	48.17	25.72	50.38	25.39	29.70	28.88	20.58	37.30	48.85	24.89	-	29.03
<b>Total Agricultural</b>															
Public Lighting - Tariff G	2,000	-	29.73	47.04	27.58	48.33	27.18	27.77	27.81	24.06	37.73	45.38	22.38	-	32.22
Residential Colonies	2,000	-	23.07	42.47	22.91	43.67	22.52	23.11	23.13	18.41	33.07	40.73	17.71	-	25.20
Railway Traction	2,000	-	-	-	-	-	25.45	-	26.08	-	-	-	-	-	26.03
Tariff K - AJK	-	1,250	-	-	22.85	-	-	-	-	22.05	-	-	-	-	22.05
Time of Use (TOU) - Peak	-	-	-	-	29.28	-	-	-	-	25.88	-	-	-	-	24.88
Time of Use (TOU) - Off-Peak	-	1,250	-	-	24.58	-	-	-	-	21.18	-	-	-	-	21.40
Tariff K - Raval Lub	2,000	-	-	-	-	-	-	-	-	28.25	-	-	-	-	26.28
<b>Pre-paid Supply Tariff</b>															
Residential	1,000	-	40.62	85.17	39.15	59.58	37.84	38.24	38.86	34.82	47.88	50.70	34.28	-	40.95
Commercial - A2	1,000	-	30.87	50.19	28.33	52.14	27.77	28.34	27.87	24.50	37.88	48.83	22.54	-	28.86
General Services - A3	1,000	-	36.19	65.15	39.78	57.38	32.62	33.27	32.49	29.10	45.11	54.07	27.60	-	37.23
Industrial	-	1,250	40.19	36.00	28.48	55.88	34.80	24.81	23.81	28.32	31.70	28.07	30.23	-	29.09
Single Point Supply	-	1,250	25.10	48.63	21.88	48.11	24.83	25.29	25.82	23.43	34.82	42.58	19.88	-	27.94
1.4.1 Item 7, Annexure 1, 2017	-	-	48.26	52.26	32.02	58.00	24.49	15.01	32.10	26.28	41.97	53.31	28.32	-	38.04



**TABLE OF UNIFORM DETERMINED TARIFF WITHOUT PVA  
AND INTERNATIONAL AVERAGE UNIT FROM DETERMINED TARIFF WITHOUT PVA ALONG WITH GOP APPLICABLE TARIFF**

**GENERAL SUPPLY TARIFF FOR RESIDENTIAL CONSUMERS**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Conn. / M	FIXED CHARGES Rs./kWh/M	UNIFORM DETERMINED TARIFF WITHOUT PVA VARIABLE CHARGES		GOP APPLICABLE VARIABLE CHARGES Rs./kWh
				Rs./kWh		
		A	B	C	D	
a) For Sanctioned load less than 0 kW						
i) Up to 50 Units - Life Line	-	-	-	38.40	3.95	
ii) 51 - 100 Units	-	-	-	38.37	7.74	
iii) 101 - 200 Units	-	-	-	38.33	10.64	
iv) 201 - 300 Units	-	-	-	38.31	13.01	
v) 301 - 400 Units	-	-	-	38.30	22.44	
vi) 401 - 500 Units	-	-	-	38.30	28.91	
vii) 501 - 600 Units	200	-	-	38.30	33.10	
viii) 601 - 800 Units	400	-	-	38.30	41.92	
ix) 801 - 1000 Units	600	-	-	38.30	48.76	
x) Above 1000 Units	800	-	-	38.30	57.69	
b) For Sanctioned load 5 kW & above		1,000	-	38.30		
Time Of Use		1,000		38.30	46.85	40.63
c) Pre-Paid Residential Supply Tariff		1,000		38.30	48.10	

As per Authority's decision only protected residential consumers will be given the benefit of our previous rates.

As per Authority's decision, residential life line consumer will not be given any club benefit. Under tariff (a-i), there shall be minimum monthly customer charge of the following rates even if no energy is consumed. For consumers where monthly fixed charges are applicable, no minimum charges shall be applicable on such consumers, even if no energy consumed.

a) Single Phase Connections Rs. 75/- per consumer per month

b) Three Phase Connections Rs. 100/- per consumer per month

**GENERAL SUPPLY TARIFF FOR COMMERCIAL CONSUMERS**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Conn. / M	FIXED CHARGES Rs./kWh/M	UNIFORM DETERMINED TARIFF WITHOUT PVA VARIABLE CHARGES		GOP APPLICABLE VARIABLE CHARGES Rs./kWh
				Rs./kWh		
		A	B	C	D	
a) For Sanctioned load less than 5 kW	1,000	-	-	38.30	38.30	38.30
b) For Sanctioned load 5 kW & above		1,250	-	38.30	38.30	38.30
c) Time Of Use		1,250		38.30	43.83	38.30
d) Electric Vehicle Charging Station	-	-	-	38.30	38.30	38.30
e) Pre-Paid Commercial Supply Tariff		1,250		38.30	43.83	38.30

Where Fixed Charges are applicable Rs./kWh/Month, the charges shall be billed based on 25% of sanctioned load or Actual MDI for the month which ever is higher.

**GENERAL SERVICES TARIFF**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Conn. / M	FIXED CHARGES Rs./kWh/M	UNIFORM DETERMINED TARIFF WITHOUT PVA VARIABLE CHARGES		GOP APPLICABLE VARIABLE CHARGES Rs./kWh
				Rs./kWh		
		A	B	C	D	
a) General Services	1,000	-	-	38.30	43.83	38.30
b) Pre-Paid General Services Supply Tariff	1,000	-	-	38.30	43.83	38.30

Where Fixed Charges are applicable Rs./kWh/Month, the charges shall be billed based on 25% of sanctioned load or Actual MDI for the month which ever is higher.

**INDUSTRIAL SUPPLY TARIFF**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Conn. / M	FIXED CHARGES Rs./kWh/M	UNIFORM DETERMINED TARIFF WITHOUT PVA VARIABLE CHARGES		GOP APPLICABLE VARIABLE CHARGES Rs./kWh
				Rs./kWh		
		A	B	C	D	
1.1	Up to 10 kW (at 400/230 Volts)	1,000	-	38.30	38.30	38.30
1.2(a)	exceeding 10-50 kW (at 400 Volts)		1,250	-	38.30	38.30
Time Of Use						
1.1 (a)	Up to 20 kW	1,000	-	38.30	38.30	38.30
1.2(a)	exceeding 20-50 kW (at 400 Volts)		1,250	34.15	34.15	34.15
1.3	For All Loads up to 5000 kW (at 11,000 Volts)	-	1,250	34.25	34.71	34.88
1.4	For All Loads (at 66-332 kV & above)	-	1,250	34.35	35.92	36.66
	Pre-Paid Industrial Supply Tariff	-	1,250	34.37	35.80	37.00

Where Fixed Charges are applicable Rs./kWh/Month, the charges shall be billed based on 25% of sanctioned load or Actual MDI for the month which ever is higher.

**SINGLE POINT SUPPLY TARIFF**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Conn. / M	FIXED CHARGES Rs./kWh/M	UNIFORM DETERMINED TARIFF WITHOUT PVA VARIABLE CHARGES		GOP APPLICABLE VARIABLE CHARGES Rs./kWh
				Rs./kWh		
		A	B	C	D	
C-1	For supply at 400/230 Volts	-	-	-	-	
C-1(a)	Sanctioned load less than 5 kW	2,000	-	-	38.30	43.39
C-1(b)	Sanctioned load 5 kW & up to 500 kW	-	1,250	-	37.14	40.65
C-1(c)	For supply at 11,000 kV up to and including 5000 kW	-	1,250	-	37.19	40.57
C-1(d)	For supply at 66 kV & above and sanctioned load above 5000 kW	-	1,250	-	36.87	40.77
Time Of Use						
C-1(e)	For supply at 400/230 Volts & 5 kW & up to 500 kW	-	1,250	34.35	34.54	34.51
C-1(f)	For supply at 11,000 kV up to and including 5000 kW	-	1,250	34.38	34.70	34.31
C-1(g)	For supply at 66 kV & above and sanctioned load above 5000 kW	-	1,250	35.05	35.45	35.76
	Pre-Paid Single Point Supply Tariff	-	1,250	-	37.04	41.47

Where Fixed Charges are applicable Rs./kWh/Month, the charges shall be billed based on 35% of sanctioned load or Actual MDI for the month which ever is higher.

**GENERAL SUPPLY TARIFF FOR RESIDENTIAL CONSUMERS**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Conn. / M	FIXED CHARGES Rs./kWh/M	UNIFORM DETERMINED TARIFF WITHOUT PVA VARIABLE CHARGES		GOP APPLICABLE VARIABLE CHARGES Rs./kWh
				Rs./kWh		
		A	B	C	D	
a) For Sanctioned load less than 0 kW						
i) Up to 50 Units - Life Line	-	-	-	38.40	3.95	
ii) 51 - 100 Units	-	-	-	38.37	7.74	
iii) 101 - 200 Units	-	-	-	38.33	10.64	
iv) 201 - 300 Units	-	-	-	38.31	13.01	
v) 301 - 400 Units	200	-	-	38.30	22.44	
vi) 401 - 500 Units	400	-	-	38.30	28.91	
vii) 501 - 600 Units	600	-	-	38.30	33.10	
viii) 601 - 800 Units	800	-	-	38.30	41.92	
ix) Above 800 Units	1,000	-	-	38.30	48.76	
b) For Sanctioned load 5 kW & above		1,000	-	38.30	47.69	
Time Of Use		1,000		38.30	46.85	40.63
c) Pre-Paid Residential Supply Tariff		1,000		38.30	48.10	

As per Authority's decision, residential life line consumer will not be given any club benefit.

Under tariff (a-i), there shall be minimum monthly customer charge of the following rates even if no energy is consumed. For consumers where monthly fixed charges are applicable, no minimum charges shall be applicable on such consumers, even if no energy consumed.

a) Single Phase Connections Rs. 75/- per consumer per month

b) Three Phase Connections Rs. 100/- per consumer per month

Where Fixed Charges are applicable Rs./kWh/Month, the charges shall be given based on 25% of sanctioned load or Actual MDI for the month which ever is higher.

**GENERAL SUPPLY TARIFF FOR COMMERCIAL CONSUMERS**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Conn. / M	FIXED CHARGES Rs./kWh/M	UNIFORM DETERMINED TARIFF WITHOUT PVA VARIABLE CHARGES		GOP APPLICABLE VARIABLE CHARGES Rs./kWh
				Rs./kWh		
		A	B	C	D	
a) For Sanctioned load less than 5 kW						
i) Up to 50 Units - Life Line	-	-	-	38.40	3.95	
ii) 51 - 100 Units	-	-	-	38.37	7.74	
iii) 101 - 200 Units	-	-	-	38.33	10.64	
iv) 201 - 300 Units	-	-	-	38.31	13.01	
v) 301 - 400 Units	200	-	-	38.30	22.44	
vi) 401 - 500 Units	400	-	-	38.30	28.91	
vii) 501 - 600 Units	600	-	-	38.30	33.10	
viii) 601 - 800 Units	800	-	-	38.30	41.92	
ix) Above 800 Units	1,000	-	-	38.30	48.76	
b) For Sanctioned load 5 kW & above		1,000	-	38.30	47.69	
Time Of Use		1,000		38.30	46.85	40.63
c) Pre-Paid Commercial Supply Tariff		1,000		38.30	48.10	

As per Authority's decision, residential life line consumer will not be given any club benefit.

Under tariff (a-i), there shall be minimum monthly customer charge of the following rates even if no energy is consumed. For consumers where monthly fixed charges are applicable, no minimum charges shall be applicable on such consumers, even if no energy consumed.

a) Single Phase Connections Rs. 75/- per consumer per month

b) Three Phase Connections Rs. 100/- per consumer per month

Where Fixed Charges are applicable Rs./kWh/Month, the charges shall be given based on 25% of sanctioned load or Actual MDI for the month which ever is higher.

**GENERAL SERVICES TARIFF**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Conn. / M
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**SCHEDULE OF ELECTRICITY TARIFFS**  
**NATIONAL AVERAGE UNIFORM DETERMINED TARIFF WITHOUT PVA ALONG WITH GOF APPLICABLE TARIFF**  
**AGRICULTURE TARIFF**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cents / M	FIXED CHARGES Rs/kW/M	UNIFORM DETERMINED TARIFF WITHOUT PVA VARIABLE CHARGES Rs/kWh		GOF APPLICABLE VARIABLE CHARGES Rs/kWh
				A	B	
D-1(a)	SCARP less than 5 kW	-	-	32.22	39.87	
D-2 (a)	Agricultural Tube Wells	-	400	31.18	38.95	
D-1(b)	SCARP 5 kW & above	-	400	34.86	31.11	42.79
D-2 (b)	Agricultural 5 kW & above	-	400	34.38	29.03	34.71
	Per Unit for Amt & Recp	-	400	35.04	30.54	38.62

Under this tariff, there shall be minimum monthly charges Rs.2000/- per consumer per month, even if no energy is consumed.  
 Note:- The consumers having sanctioned load less than 5 kW can opt for TOU metering.

**SCHEDULE OF ELECTRICITY TEMPORARY SUPPLY TARIFFS**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cents / M	FIXED CHARGES Rs/kW/M	UNIFORM DETERMINED TARIFF WITHOUT PVA VARIABLE CHARGES Rs/kWh		GOF APPLICABLE VARIABLE CHARGES Rs/kWh
				A	B	
E-1(i)	Residential Supply	2,000	-	33.90	37.94	
E-1(ii)	Commercial Supply	6,000	-	34.32	33.44	
E-2	Industrial Supply	5,000	-	34.06	42.25	

**SCHEDULE OF ELECTRICITY SEASONAL INDUSTRIAL SUPPLY TARIFFS**

Note:- Tariffed 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.

**SCHEDULE OF ELECTRICITY TARIFFS FOR PUBLIC LIGHTING**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cents / M	FIXED CHARGES Rs/kW/M	UNIFORM DETERMINED TARIFF WITHOUT PVA VARIABLE CHARGES Rs/kWh		GOF APPLICABLE VARIABLE CHARGES Rs/kWh
				A	B	
	Street Lighting	2,000	-	32.22	43.91	

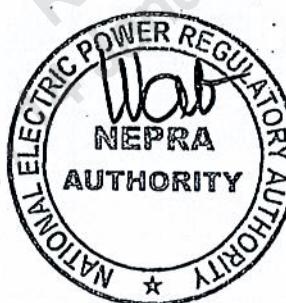
**SCHEDULE OF ELECTRICITY TARIFFS FOR RESIDENTIAL/ COLONIES ATTACHED TO INDUSTRIAL PREMISES**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cents / M	FIXED CHARGES Rs/kW/M	UNIFORM DETERMINED TARIFF WITHOUT PVA VARIABLE CHARGES Rs/kWh		GOF APPLICABLE VARIABLE CHARGES Rs/kWh
				A	B	
	Residential Colonies attached to Industrial premises	2,000	-	32.20	42.10	

**SCHEDULE OF ELECTRICITY TARIFFS FOR SPECIAL CONTRACTS**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cents / M	FIXED CHARGES Rs/kW/M	UNIFORM DETERMINED TARIFF WITHOUT PVA VARIABLE CHARGES Rs/kWh		GOF APPLICABLE VARIABLE CHARGES Rs/kWh
				A	B	
1	Azad Jammu & Kashmir (AJK)	-	1,350	22.03	26.49	
	Time Of Use	-	1,350	26.04	21.40	28.85
2	Railway Cab	2,000	-	25.26	43.25	

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cents / M	FIXED CHARGES Rs/kW/M	UNIFORM DETERMINED TARIFF WITHOUT PVA VARIABLE CHARGES Rs/kWh		GOF APPLICABLE VARIABLE CHARGES Rs/kWh
				A	B	
	Railway Traction	3,000	-	26.01	43.39	



## GoP Applicable Schedule of Tariff for K-Electric Consumers

## GoP Applicable Uniform

Description	Fixed Charges (Rs/Con/M)	Fixed Charges (Rs/kW/M)	Variable Charges (Rs./kWh)
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## A-1 General Supply Tariff - Residential

Upto 50 Units (Lifeline)	-	-	3.95
50-100 Units (Lifeline)	-	-	7.74
1-100 units (Protected)	-	-	10.54
101-200 units (Protected)	-	-	13.01
I-100 units	-	-	22.44
101-200 units	-	-	28.91
201-300 units	-	-	33.10
301-400 units	200	-	37.99
401-500 units	400	-	40.20
501-600 units	600	-	41.62
601-700 units	800	-	42.76
Above 700 units	1,000	-	47.69
Time of Use			
Peak	1,000	-	46.85
Off-Peak	2,000	-	40.53
E-1 (i) Temporary Residential			57.94

## A-2 General Supply Tariff - Commercial

For sanctioned load less than 5kW	1,000	-	37.44
For sanctioned load 5kW & Above	-	1,250	39.76
Peak	-	-	43.82
Off-Peak	-	1,250	35.15
E-1 (ii) Temporary Commercial	5,000	-	53.44
Electric Vehicle Charging Station (EVCS)	-	-	23.57

## A3 General Services

1,000 - 42.48

## B - Industrial Supply Tariff

B-1 less than 5kW / 25 kW (at 400/230 volts)	1,000	-	30.80
Peak	1,000	-	36.74
Off-Peak	-	-	30.05
B-2 5-500 kW / 25-500 kW (at 400 volts)	-	1,250	30.73
Peak	-	-	36.68
Off-Peak	-	1,250	27.41
B-3 for all loads upto 500kW (at 11, 33kV)	-	1,250	31.00
Peak	-	-	36.68
Off-Peak	-	1,250	28.24
B-4 for all loads (at 66kV, 132kV and above)	-	1,250	30.43
Peak	-	-	36.68
Off-Peak	-	1,250	27.96
B-5 for all loads (at 220kV & above)	-	-	36.68
Peak	-	1,250	27.13
Off-Peak	5,000	-	42.25
E-2 (i) Temporary Industrial			

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## ----- GoP Applicable Uniform -----

Description	Fixed Charges (Rs/Con/M)	Fixed Charges (Rs/kW/M)	Variable Charges (Rs./kWh)
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**C - Bulk Supply Tariff**

C-1 For supply at 400/230 Volts			
a) Sanctioned load less than 5kW	2,000	-	43.39
b) Sanctioned load 5kW and upto 500kW	-	1,250	40.63
Peak	-	-	46.31
Off-Peak	-	1,250	37.54
C-2 For supply at 11,33kV upto and including 5000kW	-	1,250	40.57
Peak	-	-	46.31
Off-Peak	-	1,250	36.03
C-3 For supply at 132 kV and above upto and including 5000kW	-	1,250	40.77
Peak	-	-	46.31
Off-Peak	-	1,250	35.76
E-2 (ii) Temporary Bulk Supply			
(a) at 400Volts	5,000	-	46.06
(b) at 11kV	5,000	-	46.06

**D - Agriculture Tariff**

D-1 For all loads	-	400	28.90
D-2 For all loads ~ Time of Use	-	-	-
Peak	-	-	29.54
Off-Peak	-	400	28.69

sub-total

**G- Public Lighting**

Street Lighting	2,000	-	42.91
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**H- Residential Colonies**

Residential Colonies attached to Industrial Premises	2,000	-	42.10
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Note: The uniform GoP applicable rate for prepaid metering category mentioned in Annex-A-1 would also be applicable to K-Electric prepaid consumers.

Note: 7





Registrar

# National Electric Power Regulatory Authority

## Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad.  
Tel: +92-51-9206500, Fax: +92-51-2600026  
Web: [www.nepra.org.pk](http://www.nepra.org.pk), E-mail: [registrar@nepra.org.pk](mailto:registrar@nepra.org.pk)

No .NEPRA/R/ADG(Trf)/TRF-619 & TRF-620/ 464-71

January 07, 2026

Subject: Decision of the Authority in the matter of Motion for Leave for Review filed by Gujranwala Electric Power Company (GEPCO) against decision of the Authority dated 14.06.2025 in the matter of Annual Adjustment/Indexation of tariff for FY 2024-25

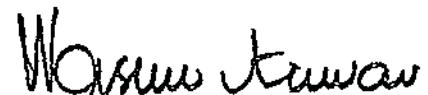
Dear Sir,

Please find enclosed herewith the subject Decision of the Authority (total 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 within 30 Calendar days from the intimation of this Decision. In the event the Federal Government fails to notify the subject tariff Decision within the time period specified in Section 31(7), then the Authority shall notify the same in the official Gazette pursuant to Section 31(7) of NEPRA Act.

Enclosure: As above

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

  
(Wasim Anwar Bhinder)

Copy to:

1. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad
2. Mr. Shehriyar Abbasi, Deputy Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
3. Secretary, Energy Department, Government of the Punjab, 8<sup>th</sup> Floor, EFU House, Main Gulberg, Jail Road, Lahore
4. Managing Director, National Grid Company (NGC) of pakistan, 414 WAPDA House, Shahrah-e-Qaid-e-Azam, Lahore
5. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad.
6. Chief Executive Officer, Gujranwala Electric Power Company Ltd. (GEPCO), 565/A, Model Town, G.T. Road, Gujranwala
7. Chief Executive Officer, Independent System and Market Operator (ISMO) of pakistan, Pitras Bukhari Road, Sector H-8/1, Islamabad

Decision of the Authority in the matter of Motion for Leave for Review filed by Gujranwala Electric Power Company (GEPCO) against decision of the Authority's dated 14.06.2025 in the matter annual adjustment/ indexation of Tariff for the FY 2024-25

1. The Authority determined Multi Year Tariffs (MYT) of Gujranwala Electric Power Company Limited (GEPCO) (herein referred to as "Petitioner") for a period of five years i.e., from FY 2020-21 to FY 2024-25, separately for both its Distribution and Supply of power functions vide tariff determinations dated 02.06.2022. The tariff so determined was notified by the Federal Government vide SRO dated 25.07.2022. The Authority subsequently, under the allowed MYT framework, determined GEPCO's annual adjustment / indexation for the FY 2024-25 vide decision dated 14.06.2025 (Impugned Decision).
2. The Petitioner being aggrieved with the said decision of the Authority, filed a Motion for Leave for Review (MLR) , which was subsequently admitted by the Authority. To proceed further in the matter, the Authority decided to conduct a hearing in the matter. Notice of hearing was accordingly issued to the Petitioner, to present its case before the Authority. The hearing was held on 04.11.2025, at NERPA Tower, Islamabad.
3. The Petitioner raised following issues in the MLR:
  - i. Determination of PYA & DM relating to RORB is on the lower side caused by the erroneous deduction made from Revised-RAB i.e., Rs.884 million.
  - ii. Less determination of Salaries, Wages & Other Benefits due to 15% Ad-hoc allowance, instead of 20% & 25% respectively of Rs.374 million.
  - iii. Erroneous calculation of Provision for Post-Retirement Benefits by ignoring the compliance made by GEPCO of Rs.4,764 million.
  - iv. Omission of replacement Cost of Meters as "expense" relating to FY 2020-21 & 2021-22 as PYA of Rs.885 million.
  - v. Sales Mix Variance for FY 2022-23 has not been allowed despite compliance made with respect to provision of requisite data.
4. The Petitioner's submission on each issue is as under;
5. Determination of PYA & DM relating to RoRB is on the lower side  
For FY 2022-23
  - ✓ The Authority while determining RORB for FY 2022-23 of Rs.6,076 erroneously deducted an amount of Rs.6,916 million representing Plan Assets (Investment in Employees Retirement Benefits Fund) from the total amount of Revised-RAB. Similarly, Meters Cost Capitalized of Rs.1,314 million for the FY 2022-23 has also not been included in Revised-RAB. Due to the above, a reduction in RORB amounting to Rs. 702 million has occurred.  
For FY 2024-25
  - ✓ The Authority while determining RORB for FY 2024-25 of Rs. 10,501 has taken Opening Balance of Fixed Assets incorrectly as Rs. 93,533 million instead of Rs. 95,295 million causing a composite reduction in RORB amounting to Rs. 1,926 million.





Similarly, the quantum of "Deferred Credits" for the FY 2024-25, has not been determined correctly, over-determination of Rs.1,744 million.

- ✓ Detailed calculations are shown below with complete workings

Description	NEPRA Calculation			GEPCO Calculation			Min. Rs.
	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25	
Fixed Assets O/B	83,756	92,383	93,533	83,756	92,383	95,295	
Addition	8,627	2,912	4,503	8,627	2,912	4,503	
Fixed Assets C/B	92,383	95,295	98,036	92,383	95,295	99,798	
Depreciation	30,978	33,798	36,961	30,978	33,798	36,961	
Net Fixed Assets	61,405	61,497	61,074	61,405	61,497	62,837	
Capital WIP C/B	2,640	11,995	18,551	10,870	20,224	26,781	
Fixed Assets Inc. WIP	64,046	73,491	79,626	72,276	81,721	89,618	
Less: Deferred Credits	29,004	35,137	18,639	29,004	35,137	18,639	
Total	35,042	38,355	60,986	43,272	46,584	70,978	
Revised - RAB	35,586	36,698	49,670	39,701	44,928	58,781	
WACC	17.07%		21.14%	17.07%		21.14%	
RORB on Assets	6,076		10,501	6,778		12,427	

#### Calculation of Capital WTP

Description	NEPRA Calculation			GEPCO Calculation			Min. Rs.
	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25	
Capital WIP (OB)	8,452	2,640	11,994	8,452	10,870	20,224	
Addition Capital WIP	9,683	12,266	11,060	9,683	12,266	11,060	
Less Capitalization	-3,542	-2,912	-4,503	-3,542	-2,912	-4,503	
Capital WIP (CB)	14,593	11,994	18,551	14,593	20,224	26,781	
Less Excess Investment	11,953	-	-	3,723	-	-	
Capital WIP (CB)	2,640	11,994	18,551	10,870	20,224	26,781	

#### Calculation of Excess Investment

Description	NEPRA Calculation			GEPCO Calculation			Min. Rs.
	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25	
Addition in Assets	14,901	12,266	11,060	14,901	12,266	11,060	
Addition in Pln Assets	6,916	-	-	-	-	-	
Total Addition/Actual Investment	21,817	12,266	11,060	14,901	12,266	11,060	
Less: Allowed Investment in MYT	-9,864	-12,266	-11,060	-9,864	-12,266	-11,060	
Less: Meters Capitalized	-	-	-	-1,314	-	-	
Excess Investment/Adjustment	11,953	-	-	3,723	-	-	

- ✓ The Petitioner requested the Authority to allow RORB as PYA & DM as follows:

Description	Already Allowed in Decision	To Be Allowed	Difference	Min. Rs.
RORB-PYA FY 2022-23	6,076	6,778	702	
RORB-DM FY 2024-25	10,501	12,427	1,926	
RORB-Deferred Credit FY 2024-25	-	-1,744	-1,744	
<b>Total</b>		884		

#### 6. Less determination of Salaries, Wages & Other benefits

- ✓ The Petitioner submitted that the Authority determined amount of Salaries, Wages & Other Benefits for the FY 2024-25 based on Ad-hoc allowance of 15% on provisional basis and stated that since the increase being allowed for the FY 2024-25, are on provisional basis, therefore, the same shall be adjusted subsequently, based on actual Pay & Allowances as announced by the Govt. in the Federal Budget for the FY 2024-25. Accordingly, as in the



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Federal Budget for FY 2024-25, the Ad-hoc allowance of 20% & 25% has been announced, the revised amount of Salaries, Wages & Other Benefits works out as follows:

Description	NEPRA	GEPCO	Mln. Rs.
Base Figure (Determined mount for FY 2023-24)	13,702	13,702	-
5% Annual Increment Impact	249	249	-
15% Ad hoc & 20% / 25% Ad hoc	747	1,121	374
Indexed Figure for FY 2024-25	14,698	15,072	374

Provision for Post-retirement benefits

- ✓ The Petitioner stated that the Authority although has acknowledged that reasonable compliance with the direction of the Authority has been shown by the Petitioner, however, contrary to the above, the Authority while calculating the PYA, erroneously deducted an amount of Rs.4,764 million relating to Provision for Post-Retirement Benefits (*the Authority has taken Benefits paid for the FY 2020-21 to 2022-23 and Transferred to Account has been taken up-to February 2024 only*) as follows:

Year	FY 21 to 23	Mln. Rs.
Allowed Amount	35,581	
Benefits Paid	13,126	
Transferred to Account	17,692	
Shortfall in Deposit deducted	4,764	

- ✓ GEPCO submitted that it has made compliance with the direction of the Authority up-to 30.06.2024 as under, and as there is no shortfall up-to 30.06.2024, the Authority is requested to allow the deducted amount of Rs. 4,764 million.:

Years	2020-21	2021-22	2022-23	2023-24	Total	Mln. Rs.
Amount Allowed by the Authority	10,513	11,937	13,131	9,227	44,808	
<b>Compliance by GEPCO up to 30-06-2024:</b>						
Less: Post Retirement Benefits Paid	3,643	4,238	5,244	6,089	19,214	
Less: Contribution Made to Pension Fund			6,704	19,121	25,825	
Sub Total	3,643	4,238	11,948	25,210	45,039	
Excess amount Paid up to 30.06.2024					231	

Cost of Meters as "expense" relating to FY 2020-21 & 2021-22 as PYA

- ✓ The Petitioner submitted that in the MYT Determination for the period from FY 2020-21 to 2024-25, the Authority has neither allowed the cost of replaced meters in O & M nor in RORB. The Authority advised GEPCO to capitalize the cost of replaced meters instead of expensing it out. The Authority further directed that the cost of replaced meters will be allowed once the compliance with the directions will be made regarding capitalization of costs. In the determination for FY 2024-25, the Authority noted that the Petitioner as per directions of the Authority has capitalized cost of meters as part of its distribution equipment in the Financial Statements for the FY 2022-23, under note to the accounts 4.1.2. The Authority has further mentioned that since, the Authority has trued up the RORB of the Petitioner for the FY 2022-23, based on its Audited RAB, in line with the mechanism prescribed in the MYT, impact of cost of meters capitalized by the Petitioner has been accounted for in the revised RORB.

✓ *Mohd.*





- ✓ However, the Authority has omitted to incorporate the cost of Replaced Meters for FY 2020-21 & 2021-22 amounting to Rs. 885 million (552+333 respectively) as expense and Rs.1,314 million for FY 2022-23 as allowed investment.
- ✓ The Petitioner requested that after compliance of the direction as per Note No. 4.1.2, the amount of Rs.1,314 million for FY 2022-23 should be included in "allowed investment" and the amount of Rs.885 million for FY 2021 & 2022, be allowed under the head "repair & maintenance".

Sales Mix variance for FY 2022-23

- ✓ The Petitioner has claimed an amount of Rs.4,224 million as Sales Mix Variance for the FY 2022-23 as per mechanism prescribed by the Authority and has submitted compliance with NEPRA directions given in the Decision of Annual Indexation / Adjustment FY 2023-24, vide its request for Annual Indexation / Adjustment FY 2024-25, wherein compliance to the direction related to reconciled data of sales mix was submitted. However, the Authority have stated that no such reconciliation was submitted by the Petitioner and accordingly disallowed the sales mix variance of FY 2022-23 till the time, the Petitioner complies with the direction of the Authority and submits the reconciled data till FY 2022-23. The Petitioner stated that the requisite reconciled data along with all details is again attached with MLR, therefore, the Authority is requested to allow the amount of Sales Mix of Rs.4,224 million accordingly.

7. The Petitioner accordingly requested the Authority to review Impugned decision and allow the following:
  - i. Rs.884 million may be allowed as the Authority's Determination of PYA & DM relating to RORB is on the lower side caused by the erroneous deduction made from Revised-RAB;
  - ii. Rs.374 million may be allowed being less determined Salaries, Wages & Other Benefits due to 15% Ad-hoc Allowance instead of 20% / 25%;
  - iii. Rs.4,764 million may be allowed being Erroneous calculation of Provision for Post-Retirement Benefits by ignoring the compliance made by GEPCO;
  - iv. Rs.885 million may be allowed for Replacement Cost of Meters as "expense" relating to FY 2020-21 & 2021-22 as PYA as the petitioner made compliance of the Authority's directions regarding capitalization of Meters costs;
  - v. Rs.4,224 million of Sales Mix Variance for the FY 2022-23 may be allowed as compliance made with respect to provision of requisite data.
8. The Authority has analyzed the submissions of the Petitioner and the workings shared by the Petitioner under each head.
9. Regarding the issue of RoRB, the Authority has reworked the RoRB of the Petitioner for the FY 2022-23, FY 2023-24 and FY 2024-25 and the impact thereof has been made part of the Petitioner PYA, while determining the tariff for the FY 2025-26.
10. On the point of Salaries & Wages, the Authority noted that as per the MYT determination of GEPCO, the reference costs allowed for Salaries & Wages shall be adjusted every year





with the increase announced by the GoP, being beyond the Petitioners control, for the respective year till the time the Petitioner remains in the public sector. In view thereof, the impact of increases announced by the Federal Government subsequently i.e., after the tariff determination in term of Adhoc allowances, amounting to Rs.374 million, are being allowed to the Petitioner as part of PYA, while determining the tariff for the FY 2025-26.

11. Regarding, amount of pension benefits, the Authority observed that as per the data/information provided by the Petitioner an amount of Rs.4,764 million has been deposited in the fund. Accordingly, the Authority has decided to allow the deposited amount of Rs.4,764 million to GEPCO as part of PYA, while determining the tariff for the FY 2025-26.
12. Regarding cost of meters, the Authority observed that the Petitioner as per its MYT determination was directed to capitalize the cost of meters instead of expensing out and accordingly, the Authority while assessing the R&M costs of the Petitioner for the FY 2020-21, excluded the amount related to Meters from the actual cost of R&M of the Petitioner for the FY 2019-20. The Petitioner as per the audited financial statements has started capitalizing the cost of meters since FY 2022-23, therefore, while truing up of the RoRB of the Petitioner for the FY 2022-23, FY 2023-24 and FY 2024-25, the impact of capitalization has already been accounted for as part of RAB. For the FY 2020-21 and FY 2021-22, since these costs have not been capitalized, therefore, the Authority is constrained to maintain its earlier decision and accordingly no cost on account of replacement of meters is allowed.
13. On the point of sales mix, the Authority noted that the Petitioner has already been allowed sales mix variance of Rs.4,224 million, for the FY 2022-23 as part of its interim tariff for the FY 2025-26, and accordingly while working out the final tariff for the FY 2025-26, the said amount has also been made part of tariff for the FY 2025-26 as PYA.
14. The decision of the Authority is intimated to the Federal Government for notification in the official Gazette under Section 31(7) of the NEPRA Act.

**AUTHORITY**

Amina Ahmed  
Amina Ahmed

Member

Maqsood Anwar Khan  
Engr. Maqsood Anwar Khan

Member

Waseem Mukhtar  
Waseem Mukhtar  
Chairman





Registrar

# National Electric Power Regulatory Authority

## Islamic Republic of Pakistan

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No. NEPRA/TRF-619/GEPCO-Distribution/2025/ 282-89

January 07, 2026

**SUBJECT: DETERMINATION OF THE AUTHORITY IN THE MATTER OF PETITION FILED BY GUJRANWALA ELECTRIC POWER COMPANY LIMITED (GEPCO) FOR DETERMINATION OF DISTRIBUTION TARIFF UNDER MYT REGIME FOR THE FY 2025-26 TO FY 2029-30**

Please find enclosed herewith the subject Determination of the Authority (total 38 pages).

2. The Determination of the Authority, is hereby intimated to the Federal Government for filing of uniform tariff application in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997. The instant determination of the Authority along-with order part, be also notified in terms of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, while notifying the uniform tariff application decision of the Authority.

Enclosure: As above

Secretary

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

(Wasim Anwar Bhinder)

Copy to:

1. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad
2. Mr. Shehriyar Abbasi, Deputy Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
3. Secretary, Energy Department., Government of the Punjab, 8<sup>th</sup> Floor, EFU House, Main Gulberg, Jail Road, Lahore
4. Managing Director, National Grid Company (NGC) of Pakistan, 414 WAPDA House, Shahrah-e-auid-e-Azam, Lahore
5. Chief Executive Officer, Central Power Purchasing Agency Guarantee Ltd. (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
6. Chief Executive Officer, Gujranwala Electric Power Company Ltd. (GEPCO), 565/A, Model Town, G.T. Road, Gujranwala
7. Chief Executive Officer, Independent System and Market Operator (ISMO) of Pakistan, Pitras Bukhari Road, Sector H-8/1, Islamabad



National Electric Power Regulatory Authority  
(NEPRA)

PETITION NO: NEPRA/TRF-619/GEPSCO/MYT-Distribution/2025

DETERMINATION OF DISTRIBUTION TARIFF PETITION

FOR

GUJARANWALA ELECTRIC POWER COMPANY LIMITED (GEPSCO)

FOR THE FY 2025-26 – FY 2029-30

UNDER

NEPRA TARIFF (STANDARDS AND PROCEDURE) RULES - 1998

Islamabad

JANUARY 07, 2026



*Matter 9*



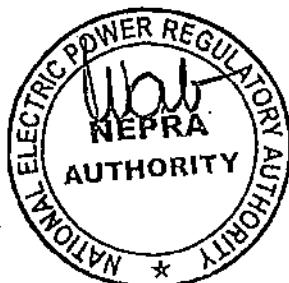
Abbreviations

CpGenCap	The summation of the capacity cost in respect of all CpGencos for a billing period minus the amount of liquidated damages received during the months
ADB	Asian Development Bank
AMI	Advance Metering Infrastructure
AMR	Automatic Meter Reading
BoD	Board of Director
BTS	Base Transceiver Station
CAPM	Capital Asset Pricing Model
CDP	Common Delivery Point
COSS	Cost of Service Study
CPPA (G)	Central Power Purchasing Agency Guarantee Limited
CTBCM	Competitive Trading Bilateral Contract Market
CWIP	Closing Work in Progress
DIIP	Distribution Company Integrated Investment Plan
DISCO	Distribution Company
DM	Distribution Margin
DOP	Distribution of Power
ELR	Energy Loss Reduction
ERC	Energy Regulatory Commission
ERP	Enterprise resource planning
FCA	Fuel Charges Adjustment
FY	Financial Year
GIS	Geographical Information System
GOP	Government of Pakistan
GWh	Giga Watt Hours
HHU	Hand Held Unit
HT/LT	High Tension/Low Tension
HSD	High Speed Diesel
IGTDP	Integrated Generation Transmission and Distribution Plan
IESCO	Islamabad Electric Supply Company Limited
KIBOR	Karachi Inter Bank Offer Rates
KSE	Karachi Stock Exchange
KV	Kilo Volt
kW	Kilo Watt
kWh	Kilo Watt Hour
LPC	Late Payment Charges
MDI	Maximum Demand Indicator
MMBTU	One million British Thermal Units
MoWP	Ministry of Water and Power
MVA	Mega Volt Amp



MW	Mega Watt
NEPRA	National Electric Power Regulatory Authority
NOC	Network Operation Centre
NTDC	National Transmission & Despatch Company
O&M	Operation and Maintenance
OGRA	Oil and Gas Regulatory Authority
PEPCO	Pakistan Electric Power Company
GEPCO	Gujranwala Electric Power Company Limited
PDEIP	Power Distribution Enhancement Investment Program
PDP	Power Distribution Program
PPA	Power Purchase Agreement
PPAA	Power Procurement Agency Agreement
PPP	Power Purchase Price
PYA	Prior Year Adjustment
R&M	Repair and Maintenance
RAB	Regulatory Asset Base
RE	Rural Electrification
RFO	Residual Fuel Oil
RLNG	Re-gasified Liquified Natural Gas
RoE	Return on Equity
RORB	Return on Rate Base
ROR	Rate of Return
SBP	State Bank of Pakistan
SOT	Schedule of Tariff
STG	Secondary Transmission Grid
SYT	Single Year Tariff
T&D	Transmission and Distribution
TFC	Term Finance Certificate
TOU	Time of Use
TOR	Term of Reference
TPM	Transfer Price Mechanism
USCF	The fixed charge part of the Use of System Charges in Rs./kW/Month
UOSC	Use of System Charges
WACC	Weighted average cost of capital
WAPDA	Water and Power Development Authority
XWDISCO	Ex-WAPDA Distribution Company

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**DETERMINATION OF THE AUTHORITY IN THE MATTER OF PETITION FILED BY  
GUJRANWALA ELECTRIC POWER COMPANY LIMITED (GEPCO) FOR  
DETERMINATION OF DISTRIBUTION TARIFF UNDER MYT REGIME FOR THE FY  
2025-26-2029-30**

**CASE NO. NEPRA/ TRF-619/GEPCO/MYT-Distribution/2025**

**PETITIONER**

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

**INTERVENER**

Nil

**COMMENTATOR**

NIL

**REPRESENTATION**

GEPCO was represented by its Chief Executive Officer along-with its Technical and Financial team

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## 1. Background

- 1.1. The Authority awarded a Multi-Year Tariff (MYT) to Gujranwala Electric Power Company (GEPSCO), for a period of five years starting from 1<sup>st</sup> July 2021 till 30<sup>th</sup> June 2025. Upon expiry of its MYT on 30.06.2025, GEPSCO (hereinafter also called as "the Petitioner"), being a Distribution Licensee as well as Supplier of Last Resort, filed separate tariff petitions for the determination of its Distribution and Supply of Electric Power Tariff under the MYT Regime for another period of five years i.e. from FY 2025-26 to FY 2029-30, in terms of Rule 3 (1) of Tariff Standards & Procedure Rules, 1998 (hereinafter referred as "Rules").
- 1.2. GEPSCO was required to file its new MYT petitions for the Distribution and Supply functions by January 2025, in line with the NEPRA Guidelines for determination of Consumer End tariff (Methodology and Process) 2015, after incorporating therein, the approved number of investments and target of T&D losses. However, the petitions were filed with considerable delay i.e. on 29.04.2025, and were based on the requested numbers of Investment and T&D losses. GEPSCO also requested for grant of interim tariff for the FY 2025-26, in order to allow for timely rebasing of consumer-end tariff effective July 1, 2025, as considerable time would be required to finalize the MYT petitions. The Authority acceded with the request of GEPSCO and granted an "Interim tariff", vide decision dated 23.06.2025 for FY 2025-26, subject to adjustment and/ or refund, based on the final determination of the Authority in the matter of MYT petitions of the Petitioner.
- 1.3. The Petitioner, inter alia, requested the following distribution margin for its distribution of power function for the five years control period;

Margin		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Pay & allowances	Rs. Mln	10,321	11,346	12,472	13,711	15,072
Employees benefits	Rs. Mln	2,128	2,339	2,572	2,827	3,108
Post-retirement Benefits	Rs. Mln	10,361	9,843	9,351	8,883	8,439
Travelling expenses	Rs. Mln	346	371	398	418	439
Repair and Maintenance	Rs. Mln	1,867	2,001	2,146	2,254	2,368
Vehicle expenses	Rs. Mln	1,079	1,157	1,240	1,303	1,369
Other expense	Rs. Mln	446	478	513	539	565
<b>Total O&amp;M Costs</b>	<b>Rs. Mln</b>	<b>26,548</b>	<b>27,535</b>	<b>28,692</b>	<b>29,935</b>	<b>31,360</b>
Depreciation	Rs. Mln	4,696	5,452	6,361	7,208	8,124
Return on Rate Base	Rs. Mln	8,575	10,567	12,551	14,031	14,775
<b>Gross Distribution Margin</b>	<b>Rs. Mln</b>	<b>39,819</b>	<b>43,554</b>	<b>47,604</b>	<b>51,174</b>	<b>54,259</b>
Less: Other Income	Rs. Mln	(1,625)	(1,788)	(1,967)	(2,163)	(2,380)
<b>Net Distribution Margin</b>	<b>Rs. Mln</b>	<b>38,194</b>	<b>41,766</b>	<b>45,637</b>	<b>49,011</b>	<b>51,879</b>
Projected Sales	GWh	10,619	10,566	10,533	10,520	10,514
Requested Tariff	Rs./kWh	3.60	3.95	4.33	4.66	4.93

## 2. Proceedings

- 2.1. In terms of Rule 4 of the Rules, the petition was admitted by the Authority. Since the impact of any such costs 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 parties and to meet the ends of natural justice, decided to conduct a hearing in the matter.
- 2.2. Hearing in the matter was scheduled on November 04, 2025, for which notice of admission / hearing along-with the title and brief description of the petition was published in the newspapers on 25.10.2025, and also uploaded on NEPRA website; Individual notices were also issued to stakeholders/ interested parties.

*S. Maiti*





### 3. Issues of Hearing

- 3.1. For the purpose of hearing, and based on the pleadings, following issues were framed to be considered during the hearing and for presenting written as well as oral evidence and arguments;
- i. Whether the request of Petitioner to allow MYT for a period of five years is justified, considering the fact that distribution license is valid till April 2022?
  - ii. Whether the projected energy purchases and sales are justified?
  - iii. Whether the requested/projected O&M cost (including new/replacement hiring) is justified and what are the basis for such projections?
  - iv. Whether there should be any bifurcation of O&M on the basis of controllable and uncontrollable costs?
  - v. Whether the requested/projected amount under heads of Other Income, Depreciations and RORB based on WACC of 12.39% is justified?
  - vi. What will be adjustment mechanism for future indexation of different components of revenue requirement during the MYT? Whether there should any efficiency factor (X Factor)?
  - vii. Whether there will be any claw back mechanism or not?
  - viii. Any other issue that may come up during or after the hearing?

### 4. Filing Of Objections/ Comments

- 4.1. Comments/replies and filing of Intervention Request (IR), if any, were desired from the interested person/ party within 7 days of the publication of notice of admission in terms of Rule 6, 7 & 8 of the Rules. In response no intervention request/ comments were received.
- 4.2. During the hearing, the Petitioner was represented by its Chief Executive Officer along with its technical and financial teams.
- 4.3. On the basis of pleadings, evidence/record produced and arguments raised during the hearing, issue-wise findings are given as under;

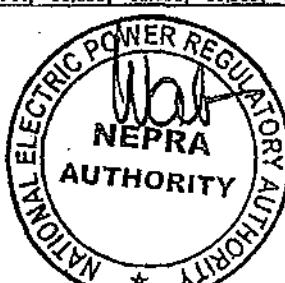
### 5. Whether the projected energy purchases and sales are justified?

- 5.1. The Petitioner, in its petition submitted that the quantitative data presented in the Distribution and Supply petitions is derived from GEPSCO's Business Plan for FY 2025-26 to FY 2029-30 already submitted to NEPRA for approval, which includes detailed forecasts of demand and losses. The projections for demand, losses, and sources of units purchased as per submitted Business Plan are as follows:

Projected demand and Losses	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
MDI (MW)	2,424	2,444	2,490	2,546	2,598	2,680	2,755
Units Purchased (MkWh)	11,944	11,858	11,650	11,585	11,543	11,522	11,509
Units Sold (MkWh)	10,573	10,802	10,619	10,566	10,533	10,520	10,514
Units Loss (MkWh)	1,371	1,056	1,031	1,019	1,010	1,002	996
Units Loss %age	11.48%	8.90%	8.85%	8.80%	8.75%	8.70%	8.65%

Source wise Purchases	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
From CPPA-G	11,813	11,601	11,143	10,803	10,457	10,104	9,725
From Head Marala	19	19	19	19	19	19	19
From Chionwalli	12	14	14	14	14	14	14
From Net Metering	100	224	474	749	1,052	1,385	1,751
Total	11,944	11,858	11,650	11,585	11,543	11,522	11,509

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PPP Projections	2023-24 (Actual)	2024-25 (Determined)	2025-26	2026-27	2027-28	2028-29	2029-30
Energy Charges	127,380	114,769	109,976	101,833	92,918	93,561	90,580
Capacity Charges	166,007	193,135	193,158	189,533	201,419	204,290	203,603
Use of System Charges	16,120	16,114	14,464	14,606	15,903	16,855	17,985
Market Operation Fee	101	116	120	122	137	151	165
<b>Total</b>	<b>309,608</b>	<b>324,134</b>	<b>317,718</b>	<b>305,095</b>	<b>310,376</b>	<b>314,857</b>	<b>312,333</b>

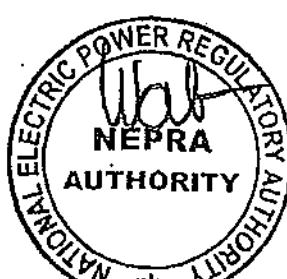
- 5.2. The Petitioner submitted that these projections provide a reasonable estimate of the expected PPP over the petition period, derived from the Medium Demand Scenario outlined in CPPA-G's "Power Purchase Price and End Consumer Outlook Report for FY 2026-2034". However, it is important to highlight that these projections are indicative and subject to NEPRA's annual determination of PPP, which will incorporate actual market conditions, including fluctuations in exchange rates, fuel prices, and demand patterns. Once determined, the PPP will remain a pass-through cost, adjusted through NEPRA's established monthly and quarterly mechanisms to ensure transparency, accuracy, and fairness for all stakeholders.
- 5.3. GEPSCO submitted that for FY 2019-20 & MYT 2021-25, it has allocated entire Power Purchase Price to its Power Supply Business and the Authority also in Tariff Determination FY 2019-20 & MYT 2021-25 has adopted the same principle, therefore Power Purchase Price for the years 2025-26 to 2029-30 has been allocated to GEPSCO Power Supply Business.
- 5.4. The Petitioner during the hearing submitted that the projected energy sales have been arrived at on the basis of PMS based Demand Forecast and Energy Purchase has been calculated accordingly after allowance of T & D Losses. The T & D losses are based on latest independent 3<sup>rd</sup> party study.
- 5.5. The Authority noted that PPP is the major component of consumer-end tariff, which accounts for around 90% of total consumer-end tariff. The Authority has determined the power purchases (GWhs) along-with its cost for each of the DISCOs through a separate decision, therefore, for the purpose of instant decision, the power purchases (GWhs) of the Petitioner as per the separate PPP decision, have been taken into account.
6. Whether the requested MYT for a control period of five years is justified?
- 6.1. The Petitioner submitted that the petition has been filed in accordance with Rule 3(1) and Rule 4(7) of the Rules and NEPRA Performance Standards (Distribution) Rules 2005. As per Rule 17 (3) (1) of the Rules, tariff should allow the licensee the recovery of any and all costs prudently incurred to meet the demonstrated needs of their consumers. The Petitioner also submitted that it has filed Investment Plan and assessment of T&D losses for a period of five years, which are under deliberation with the Authority.
- 6.2. The Authority observed the Petitioner has requested for a five years tariff control period, in line with its five years investment plan. The Authority also noted that approval of the investment plan and assessment of T&D losses of the Petitioner for the five year period is at an advanced stage, therefore, to align the investment requirements of the Petitioner, with its tariff determination, which is a tool to incur and recover the allowed amount of investments, the Authority has decided to approve the tariff request of the Petitioner under the MYT tariff regime for a control period of five years i.e. from FY 2025-26 till FY 2029-30. The terms & conditions, given by the Authority, in the Distribution and SoLR license, as modified from time to time, of the Petitioner would be applicable during the MYT control period.

*Q. Mulla*





7. Whether the requested/projected O&M cost (including new/replacement hiring) is justified and what are the basis for such projections?
8. Whether there should be any bifurcation of O&M on the basis of controllable and uncontrollable costs?
- 8.1. The Petitioner submitted that Distribution Margin is a pivotal aspect of the tariff structure, ensuring that GEPCO can recover the necessary costs for providing reliable and efficient power distribution services. The Petitioner submitted that the NEPRA Consumer-end-Tariff (Methodology & Process) Guidelines 2015 emphasize the need to identify a base year for determining a company's revenue requirement. This base year, which can be a historical financial year with actual or audited results, or a mix of actual and projected results, serves as the foundation for tariff projections. For GEPCO's MYT period (FY 2025-26 to FY 2029-30), it is proposed that the Audited Financial Statements of FY 2023-24 be used as the base year, providing a solid basis for projecting the company's revenue requirements.
- 8.2. At its core, the Distribution Margin consists of the following components:
  - ✓ Operating & Maintenance (O & M) Expense;
  - ✓ Depreciation;
  - ✓ Return on Rate Base;
  - ✓ and Other Income.
- 8.3. GEPCO requested approval from the Authority for the O&M costs for DoP and SoP for FY 2025-26, as detailed below, which are part of the MYT period (FY 2025-26 to FY 2029-30). A summary of Petitioners submission is as under;
  - ✓ Operating & Maintenance (O&M) Expenses  
Salaries, Wages & Other Benefits:
  - ✓ The Petitioner submitted that the head of Salaries, Wages, and Other Benefits, comprising employees' pay, allowances, and post-retirement benefits, constitutes over 86% of GEPCO's total O&M costs, excluding depreciation. Employees of XWDISCOs, including GEPCO, are hired on Government pay scales, making them subject to salary increases announced in the Federal Budget. As such, Salaries and Wages costs are considered uncontrollable for DISCOs operating under public sector rules.
  - ✓ GEPCO stated that it has adopted Audited Accounts for FY 2023-24 as the base year to determine Salaries and Wages costs, given the current MYT control period will end on 30.06.2025. GEPCO proposes that gains or losses from the current MYT period should not carry forward into the new MYT to ensure transparency and avoid distortions.
  - ✓ The actual cost under Salaries and Wages (excluding post-retirement benefits) for FY 2023-24 is Rs. 13,735 million. To project costs for FY 2025-26, the following adjustments have been incorporated 20% / 25% salary increase as announced in the Federal Budget for FY 2024-25 and 5% annual increment.
  - ✓ The resulting projected cost for Salaries and Wages is Rs. 16,598 million for FY 2025-26, covering both Distribution and Power Supply functions. Of this, Rs. 12,448 million and Rs. 4,150 million pertains to the Distribution and Supply function, calculated using the allocation methodology previously endorsed by NEPRA. GEPCO requests NEPRA to





approve Rs. 16,598 million as the reference cost for the MYT control period FY 2025-26 to FY 2029-30.

- ✓ For indexation of the cost, considering the fact that employees of GEPSCO were hired on Government pay scales, and any salary increase announced by the Federal Government in the Federal Budget is applicable on the employees of the GEPSCO, therefore, being uncontrollable cost, the Authority is requested to actualize the Pay & Allowances cost of GEPSCO, based on its audited accounts for the relevant year for its existing employees. The impact of any such adjustment would be allowed as part of PYA in the next indexation / adjustment request or tariff determination as the case may be. Further, Costs for new recruitment will be allowed after the recruitment is completed, based on actual costs incurred and quantified benefits.

Additional Recruitment

- ✓ The Petitioner submitted that the projected Salaries and Wages cost for existing employees, which already accounts for any new hiring completed up to 30.06.2024, it has not claimed upfront costs for additional recruitment in this petition. GEPSCO further submitted that it recognizes NEPRA's decisions in recent MYT determinations for other DISCOs (LESCO, FESCO, IESCO), where the Authority decided that costs for new recruitment will only be allowed after the recruitment is completed, based on actual costs incurred and quantified benefits. In alignment with these decisions, GEPSCO will follow the same approach to maintain consistency and regulatory compliance. GEPSCO is committed to submitting the requisite details of any hiring, including financial impact and associated benefits, in subsequent adjustment or indexation requests for NEPRA's consideration.
- ✓ While GEPSCO is not claiming the upfront costs for additional recruitment in this petition, it is important to highlight that GEPSCO has already submitted its Integrated Human Resource Plan to NEPRA as part of the GEPSCO Business Plan for FY 2025-26 to FY 2029-30.

a) Baseline

- ✓ GEPSCO submitted that it faces a significant challenge due to 6,868 vacant positions, impacting its operational efficiency. The current workforce status is as follows:

Description	Officers		Officials		Total		Grand Total
	Tech	Non-Tech	Tech	Non-Tech	Tech	Non-Tech	
Sanctioned	358	123	13,186	4,544	13,544	4,667	18,211
Working	285	82	9181	1,795	9,466	1,877	11,343
	73	41	4,005	2,749	4,078	2,790	6,868
Vacant		114		6,754		6,868	
	23.70%		38.09%			37.71%	

b) Impact of Automation and Functional Improvement on HR Requirements

- ✓ In order to prepare future workforce requirements, impact of automation and functional improvements in coming years has been considered. The existing workforce yardsticks prepared against number of consumers to be managed by an office is being reviewed in view of functional improvements like ERP, AMI, SCADA and GIS etc. However, in order to operate these new projects additional workforce is also required which has also been considered.

*J. Malik*



**c) Additional HR Requirements**

- ✓ Based on the current workforce position, anticipated consumer growth and future expansion plans in GEPCO, following expansion in sectioned posts is proposed to ensure smooth, reliable and efficient operations across departments of GEPCO.

Sr#	Offices	No. of offices	Manpower requirement
<b>Fundamental Requirements:</b>			
1	Division	5	120
2	Sub Divisions	39	4,017
3	Revenue office	5	165
4	Construction Sub Divisions	2	98
Total (Fundamental) - A		4,400	
<b>Optional Requirements:</b>			
1	Circle	1	45
2	Computer Centre	1	51
3	Construction Division	1	18
4	M&T Division	1	26
Total (Optional) - B		140	
Grand Total (A + B)		4,540	

**d) Updated Position of HR workforce requirement**

- ✓ Based on the current workforce position and proposed expansion in workforce of GEPCO, updated workforce position will be as tabulated below;

Description	Officers		Officials		Total		Grand Total
	Tech	Non-Tech	Tech	Non-Tech	Tech	Non-Tech	
Sanctioned	410	129	16,651	5,561	17,061	5,690	22,751

- ✓ Above sanctioned strength is based on current fundamentals, however, with gradual expansion in network outreach, customer base and advent of CTBCM related interventions, GEPCO may need to have more manpower.
- ✓ GEPCO shall take all possible measures to recruit suitable incumbents on vacant posts arising due to the mismatch between sanctioned strength and actual working manpower. However, such recruitment will be subject to approvals of BOD and submitting the requisite details of any hiring, including financial impact and associated benefits, in subsequent adjustment or indexation requests for NEPRA's consideration.

**Post-Retirement Benefits:**

- ✓ Regarding Post-retirement benefits the petitioner submitted that the head of Post-Retirement Benefits includes employees' pension, free electricity, and medical facilities. As employees of XWDISCOs, including GEPCO, are hired on Government pay scales, any pension increase announced by the Federal Government in the Budget is also applicable to retired employees/pensioners of DISCOs.
- ✓ The Petitioner stated that it has complied with the Authority's previous directive to create a separate fund for post-retirement benefits. This was done to ensure that the company records its liabilities prudently, with the funds being transferred to a separate legal entity. This approach ensures that the fund generates its own profits, remains separate from GEPCO's routine operations, and reduces the Distribution Margin, which can lower the consumer-end tariff in the long run.

Q. kaiw





Years	2020-21	2021-22	2022-23	2023-24	Total
Amount Allowed by the Authority	10,513	11,937	13,131	9,227	44,808
<b>Compliance by GEPSCO up to 30-06-2024:</b>					
Less: Post Retirement Benefits Paid	3,643	4,238	5,244	7,693	20,818
Less: Contribution Made to Pension Fund	-	-	6,704	19,121	25,825
<b>Sub Total</b>	<b>3,643</b>	<b>4,238</b>	<b>11,948</b>	<b>25,210</b>	<b>46,643</b>
<b>Excess amount Paid up to 30.06.2024</b>					<b>1,835</b>

- ✓ Based on above the petitioner submitted that it has complied with the earlier directions of the Authority and deposited excess amount in the fund over & above its actual payments.
- ✓ The post-retirement benefits cost provision for FY 2025-26 is based on the actuarial valuation report and the audited financial statements for FY 2023-24, which amount to Rs. 13,815 million and Rs. 10,361 million allocated to Distribution Business and Rs. 3,454 million allocated to Power Supply Business. Future indexations will follow the mechanism defined by the Authority in Para 47 of GEPSCO's MYT Determination, which allows post-retirement benefits to be based on the actuarial valuation report or the latest available audited financial statements.

**Repair & Maintenance (R&M) Costs:**

- ✓ Regarding R&M cost the Petitioner submitted that the adherence to service standards and improvement in customer services are primarily dependent on the continuous repair and maintenance (R&M) of the distribution network. For the fiscal year 2025-26, GEPSCO has based its projections on the costs reported in its Audited Financial Statements for FY 2023-24, which serve as the base year for estimating operational and maintenance (O&M) expenses and other miscellaneous costs for the upcoming MYT control period.
- ✓ With the current MYT ending on June 30, 2025, GEPSCO considers it prudent to rely on the actual costs of FY 2023-24 amounting to Rs. 1,657 million when projecting R&M expenses for FY 2025-26. This approach ensures that any gains or losses from the prior MYT control period do not carry over into the new control period. After accounting for inflationary adjustments reflected in the Audited Financial Statements for FY 2023-24, GEPSCO has proposed an allocation of Rs. 1,905 million for R&M expenses for FY 2025-26, encompassing both its Distribution and Supply Functions while excluding meter-related costs. To determine this figure, GEPSCO applied the National Consumer Price Index (NCPI) as of December 2024 i.e. 7.22%.
- ✓ GEPSCO has requested that all expenses, including R&M, be adjusted by NCPI-X throughout the tariff control period. This request aligns with the current tariff methodology and ensures consistency in expense adjustments.
- ✓ GEPSCO has used its adopted criteria to allocate costs across functions. Based on this methodology, the R&M cost for the Power Distribution Business for FY 2025-26 is calculated to be Rs. 1,867 million. The projected R&M cost of Rs. 1,905 million for FY 2025-26 will serve as the reference cost for future R&M expenses during the remaining MYT



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control period. Adjustments to these costs, including the application of CPI-X, will follow the prescribed mechanism outlined in the tariff petition. This approach aligns with the current tariff methodology and ensures consistency in expense adjustments. Additionally, GEPCO has complied with the Authority's directive to capitalize meter-related costs, ensuring they are excluded from this projection.

Other O&M Expenses

- ✓ These expenses cover essential operational functions such as traveling costs, transportation, bill collection, building rent, NEPRA fees, insurance, rates and taxes, and other operating and maintenance activities. The PEPCO Management Fee is excluded from Other O&M Expenses as per the Authority's directives. Audited Other O&M expenses for FY 2023-24 amounts to Rs. 2,566 million including travelling expenses, vehicle running expenses & other expenses. NCPI of 7.22% of Dec-24 has been applied for projection. It is further added that Rs. 50 million is also added in FY 2024-25 for CSR Activities under the directions of the Authority. Accordingly, the requested amount of Rs. 3,003 million for Other O&M Expenses in FY 2025-26 will serve as the reference cost for future adjustments throughout the MYT period. Of this, Rs. 1,870 million and Rs. 1,133 million are allocated for the Distribution and Supply of Power functions for Other O&M Costs.
- ✓ In line with the NEPRA Consumer-end-Tariff Guidelines (2015), the O&M portion of the Distribution Margin will be indexed to the Consumer Price Index (CPI), with adjustments for efficiency gains (X factor). It is requested that X factor to be set at zero for the first three years (FY 2026-28), to allow an adequate transition period to the private sector participant after the privatization of the Company, and subsequently at 10% and 20% of CPI during years four and five respectively. The Petitioner also requested following adjustment/indexation mechanism for O&M cost;

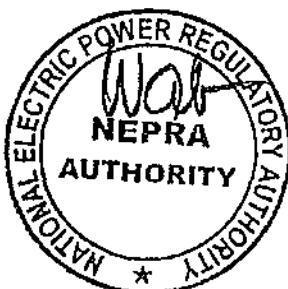
$$O \& M (Rev) = O \& M (Ref) X [1 + (\Delta CPI \cdot X)]$$

Where

$O \& M (Rev)$  = Revised O&M Expense for the Current Year  
 $O \& M (Ref)$  = Reference O&M Expense for the Reference Year  
 $\Delta CPI$  = Change in Consumer Price Index published by Pakistan Bureau of Statistics  
 $X$  = Efficiency factor

- ✓ The Petitioner during hearing revised its requested and submitted the following projections and justifications regarding O&M cost;

Sr. No.	Description	Basis for Projections
1	Pay & Allowances	Audited Figure FY 2024-25, 10% Ad-hoc Relief, 5% Annual Increment and 30% DRA. No new hiring cost claimed upfront and shall be claimed on actual basis.
2	Post-Retirement Benefits	Actuarial Amount based on latest Audited Financial Statements of FY 2024-25
3	Other O&M Costs	Audited Figure FY 2024-25, Indexed on December 2024 CPI @ 7.22% as per NEPRA Mechanism.





Operation & Maintenance	PROJECTED O & M COSTS FY 2025-26				
	Total	Distribution Business		Power Supply Business	
		100%	%	Cost	%
<b>1. Salaries, Wages &amp; Other Benefits:</b>					
<i>Salaries &amp; Wages</i>	13,265	75	5948	25	3,316
<i>Employees Benefits</i>	3,849	75	2887	25	962
<b>Sub Total Salaries, Wages &amp; Other Benefits</b>	<b>17,114</b>	<b>75</b>	<b>12835</b>	<b>25</b>	<b>4278</b>
<b>2. Retirement Benefits</b>	<b>11,812</b>	<b>75</b>	<b>8,859</b>	<b>25</b>	<b>2,953</b>
<b>3. Other O &amp; M Costs:</b>					
<i>I. Travelling</i>	517	75	387	25	129
<i>II. Repair &amp; Maintenance</i>	2,853	98	2,796	2	57
<i>III. Transportation</i>	1,061	95	1,006	5	53
<i>iv. Other Expenses:</i>					
<i>Bills Collection</i>	416	-	-	100	416
<i>Power, Light &amp; Water</i>	173	90	153	10	17
<i>Postage &amp; Telephone</i>	70	30	21	70	49
<i>Office Supplies &amp; Others</i>	380	90	114	70	266
<i>Advertising</i>	22	100	22	-	-
<i>Professional Fee /NEPRA/PITC</i>	341	30	102	20	239
<i>Fee</i>	17	90	15	10	2
<b>Misc. Expenses</b>	<b>5,849</b>	<b>79</b>	<b>4,621</b>	<b>21</b>	<b>1,228</b>
<b>Sub Total Other O &amp; M</b>	<b>34,774</b>	<b>76</b>	<b>26,315</b>	<b>24</b>	<b>8,459</b>

- 8.4. The Authority observed that as per section 31(3) of NEPRA Act, following general guidelines shall be applicable to the Authority in the determination, modification or revision of rates, charges and terms and conditions for provision of electric power services;
- ✓ “(a) tariffs should allow licensees the recovery of any and all cost prudently incurred to meet the demonstrated needs of their customers Tariff.”
  - ✓ “(b) tariffs should generally be calculated by including a depreciation charge and a rate of return on the capital investment of each licensee commensurate to that earned by other investments of comparable risk;
  - ✓ “(c) tariffs should allow licensees a rate of return which promotes continued reasonable investment in equipment and facilities for improved and efficient service;
  - ✓ “(d) tariffs should include a mechanism to allow licensees a benefit from and penalties for failure to achieve the efficiencies in the cost of providing the service and the quality of service;”
- 8.5. Further, as per NEPRA determination of Consumer-end-Tariff (Methodology & Process) Guidelines, 2015, the Authority shall choose a base year for the purpose of determining the affected company's revenue requirement under multi-year tariff regime or annual tariff regime. “Base Year” has been defined as the year on which the annual or multiyear tariff projection is being made, which may be a historical financial year, for which the actual results/audited accounts are available. It may be a combination of actual results and projected results for the same financial year or it may be a pure projection of a future financial year.
- 8.6. Here it is also pertinent to mention that as per the approved tariff methodology the Power Purchase Price is the only uncontrollable cost which is allowed a pass-through item. The other remaining costs are to be treated as controllable costs.

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- 8.7. Considering the fact that the MYT has been filed for a period of five years i.e. from FY 2025-26 to FY 2029-30, and the cost for the FY 2025-26 i.e. test year, is being assessed as reference cost during the MYT control period, the Authority has decided to consider the costs as per the Audited/ provisional accounts of the Petitioner for the FY 2024-25 as base year.
- 8.8. The Authority considers that for projections or assessment of OPEX costs, the two commonly used approaches are the Ex-Ante approach and the Ex-Post approach. In a regime where the allowed OPEX is determined Ex-Ante, there will inevitably be deviations between the allowed and actual OPEX in the form of efficiency savings or losses. Thus, resulting in two broad options, one that the utility bears all savings or losses, i.e. no action is taken by the Regulator. The 2<sup>nd</sup> that the utility shares the savings or losses with consumers. The former provides the utility with a profit incentive to cut costs, but at the same time places the utility at greater financial risk in the face of losses. The latter somewhat dilutes efficiency incentives, but also limits the losses/gains for the utility and its customers. However, the widely used approach is that no adjustments to allowed Revenues or OPEX allowances are made in the next period to compensate for a deviation from allowed OPEX in the current period except for certain allowed adjustments in terms of CPI etc.
- 8.9. In view thereof, the head wise assessment of the Petitioner under each of the requested costs is as discussed hereunder.

**Salaries, Wages and Other benefits (excluding post-retirement benefits)**

- 8.10. The Authority noted that head of Salaries, Wages and Other Benefits include employees Pay & Allowances and Post-retirement benefits and accounts for over 80% of the Petitioner's total O&M costs, excluding therefrom depreciation and RoRB. The Authority understands that employees of XWDISCOs are hired on Government pay scales, thus, any salary increase announced by the Federal Government in Fiscal Budget is also applicable on the employees of XWDISCOs. Therefore, salaries & wages cost of employees can be considered as un-controllable cost for XWDISCOs as long as they remain in public sector.
- 8.11. Considering the fact that the cost for the FY 2025-26 is being assessed, which would be used as reference during the MYT control period, the Authority has taken into consideration the costs as per the accounts of the Petitioner for the FY 2024-25, and information shared by the Petitioner subsequently in this regard. The Authority is of the view that since the previous MYT of the Petitioner has ended on 30.06.2025, therefore, it would be appropriate to account for the actual cost of the base year while projecting Salaries, Wages and Other benefits for the FY 2025-26, as any gain/loss of the previous MYT control period may not be carried forward in the new MYT.
- 8.12. The actual total cost as provided by the Petitioner for the FY 2024-25, under Salaries & Wages (excluding postretirement benefits, discussed separately) is Rs.15,399 million. The said amount has been considered as base cost and increases as approved by the Federal Government on Salaries and Wages in the Federal Budget for the FY 2025-26 i.e. ad-hoc relief allowance of 10% and DR allowance of 30%, along-with impact of annual increment i.e. 5% have been incorporated thereon.
- 8.13. Accordingly, the cost of Salaries & Wages (excluding postretirement benefits; discussed separately), for both the Distribution and Supply Functions works out as Rs.17,114 million.





The same is hereby allowed to the Petitioner for the FY 2025-26 for both its distribution and Supply Functions as reference cost, to be adjusted in the remaining control period as per the adjustment mechanism prescribed in the instant determination.

- 8.14. Since the Audited accounts of the Petitioner, do not provide bifurcation of the Salaries, Wages and other benefits costs in terms of Distribution and Supply Functions, therefore, for the purpose of allocation of total cost of Salaries, Wages and other benefits in terms of Distribution and Supply Functions, the criteria as adopted by the Petitioner has been used. Thus, the cost of Salaries, Wages and other benefits (excluding postretirement benefits) for the FY 2025-26 pertaining to the distribution function works out as Rs.12,836 million.
- 8.15. The assessed Salaries & Wages costs for the FY 2025-26 i.e. Rs.12,836 million, shall be considered as the reference cost for future adjustment/ indexation of Salaries & Wages expenses, in the remaining tariff control period as per the mechanism given in the instant determination.
- 8.16. Considering the fact that employees of XWDISCOs are hired on Government pay scales, and any salary increase announced by the Federal Government in the Federal Budget is applicable on the employees of the Petitioner, therefore, being un-controllable cost, the Authority has decided to actualize the Pay & Allowances cost of the Petitioner, based on its audited accounts for the relevant year for its existing employees. The impact of any such adjustment would be allowed as part of PYA in the next indexation/ adjustment request or tariff determination as the case may be.

#### Additional Recruitment and Outsourcing

- 8.17. Regarding additional recruitment, the Authority observed that Salaries & Wages cost for the FY 2024-25, as per the accounts of the Petitioner, has been considered as base cost, therefore, impact of any new recruitment made till FY 2024-25 has already been accounted for. For future recruitment, the Petitioner itself requested to allow cost on account of new hiring once the new recruitment is completed. The Authority also understands that any allowing cost upfront either on account of new hiring, would be unfair with the consumers, without considering/ analyzing its benefits. The Authority understands that it will be in a better position to adjudicate on the issue, once the Petitioner provides details of actual cost incurred in this regard and substantiates the same with the quantified benefits accrued. Although, the Authority has decided to actualize the Pay & Allowances cost of the Petitioner, based on its audited accounts for the relevant year, however, that would only be to the extent of existing employees. Accordingly, the Petitioner is directed to provide detail of new recruitment during each year or new hiring if any, along-with its financial impact and benefits accrued, for consideration of the Authority, in its subsequent adjustment/ indexation request.

#### Post-Retirement Benefits

- 8.18. The Authority noted that the head of post-retirement benefit includes employees' pension, free electricity and medical facility. The Authority also understands that employees of XWDSCSOs are hired on Government pay scales, thus, any pension increase announced by the Federal Government in the Budget is also applicable on the retired employees of XWDISCOs.

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- 8.19. It is also pertinent to mention that the Authority in its previous determinations, considering the overall liquidity position in the power sector and in order to ensure that XWDISCOs fulfil their legal obligations with respect to the post-retirement benefits, directed the XWDISCOs to create a separate fund in this regard. The rationale behind creation of separate fund was to ensure that DISCOs record their liability prudently as the funds would be transferred into a separate legal entity, which would also generate its own profits, as it would be kept separate from the Company's routine operations, thus reducing the Distribution Margin and eventually consumer-end tariff in longer run.
- 8.20. In compliance with the Authority's direction, the Petitioner has created a separate Fund for its post-retirement benefits and provided following details of its pension fund balance and Payments made thereof;

Year	NEPRA allowed amount	Amount Paid to Pensioners	Amount to be Transferred to Fund	Accumulated Fund Balance	Profit earned	Accumulated Fund Balance net of Profit
2015-16	1,522	1,522	-	-	-	-
2016-17	1,953	1,953	-	-	-	-
2017-18	2,600	2,600	-	-	-	-
2018-19	3,077	3,077	-	-	-	-
2019-20	3,198	3,198	-	-	-	-
2020-21	10,513	3,643	6,870	-	-	-
2021-22	11,937	4,238	7,699	1	-	1
2022-23	13,131	5,244	7,887	6,704	213	6,490
2023-24	9,227	7,693	1,534	25,825	1,278	25,824
FY 2024-25	13,178	7,674	5,504	-	4,989	36,689

- 8.21. From the above table, it is clear that the Petitioner has complied with the earlier directions of the Authority and deposited excess amount in the Fund, after making actual payments. In view thereof, the Authority has also decided to allow the Petitioner, provision for post-retirement benefits, for the FY 2025-26 as well.
- 8.22. Here it is pertinent to mention that since audited accounts of the Petitioner for the FY 2025-26, are not yet available, therefore, information provided by the Petitioner for the FY 2024-25, has been relied upon and provision reported as for FY 2024-25, has been considered for FY 2025-26 i.e. Rs. 11,976 million, for its both Distribution and Supply of Power Functions.
- 8.23. The Petitioner is directed to deposit the amount of provision, over and above their actual post-retirement benefit payments, in the Fund and in case of failure to deposit the excess amount in the Fund, the same shall be adjusted/deducted in the subsequent tariff determination and from thereon, only actual amounts paid and amount transferred into the fund would be allowed. Here it is also pertinent to mention that Petitioner has deposited Rs. 7,196 million over and above the allowed amount, therefore, the Authority has decided to allow the amount of Rs. 7,196 million already deposited by the Petitioner in the Fund as part of PYA.
- 8.24. Since the Audited accounts of the Petitioner, do not provide bifurcation of post-retirement benefits in terms of Distribution and Supply Functions, therefore, for the purpose of allocation of total cost of post-retirement benefits in terms of Distribution and Supply Functions, the criteria as adopted by the Petitioner has been used. Accordingly, the cost of post-retirement benefits for the FY 2025-26 pertaining to the Distribution Function

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works out as Rs.8,982 million, to be adjusted in the MYT Control period as per the adjustment mechanism provided in the instant determination.

**Repair & Maintenance Costs**

- 8.25. The Authority has carefully examined the Petitioner's request and also analyzed the past trend of R&M expenses of the Petitioner. The Authority understands that the adherence to service standards and improvement of customer services is only possible through continuous repair and maintenance of distribution network, however, at the same time the Petitioner has also requested for huge CAPEX for making additional investment in Fixed Assets, resulting in new, expensive and efficient equipment, leading to overall reduction in R&M cost and increasing the total Assets base.
- 8.26. The Authority is also of the view that since the previous MYT of the Petitioner has ended on 30.06.2025, therefore, it would be appropriate to account for the actual cost of the base year while projecting O&M expenses and other Misc. expenses for the FY 2025-26, as any gain/loss of the previous MYT control period may not be carried forward in the new MYT.
- 8.27. In view of the foregoing and keeping in view the current approved tariff methodology, the Authority has decided to allow an amount of Rs.2,770 million under R&M head, for the FY 2025-26, after incorporating the inflationary impact as also requested by the Petitioner, on the R&M cost as per the audited accounts of the Petitioner for the FY 2024-25 for both the Distribution and Supply functions. The same is hereby allowed to the Petitioner for the FY 2025-26 for both its distribution and Supply Functions.
- 8.28. Since the Audited accounts of the Petitioner, do not provide bifurcation of the R&M costs in terms of Distribution and Supply Functions, therefore, for the purpose of allocation of total cost of R&M costs in terms of Distribution and Supply Functions, the criteria as adopted by the Petitioner has been used. Accordingly, the cost of R&M for the FY 2025-26 pertaining to the distribution function works out as Rs.2,714 million.
- 8.29. The assessed repair and maintenance cost for the FY 2025-26 i.e. Rs.2,714 million, shall be considered as the reference cost for working out future repair and maintenance expenses, in the remaining control period as per the adjustment mechanism prescribed in the instant determination.
- 8.30. The DISCOs are also directed to provide a certification from its Auditors that Repair and Maintenance expenditure does not include any CAPEX nature item. In case any CAPEX nature cost has been booked as R&M expenses, the same may be disclosed separately in the financial statements. The Authority may consider to revise the R&M assessment of the Petitioner, based on such disclosure/certification.

**Other O&M Expenses**

- 8.31. The Authority noted that as per the approved tariff methodology, all other operating expenses are part of O&M costs which are to be assessed through NCPI-X formulae for the tariff control period. Here it is pertinent to mention that the Petitioner itself has requested that other O&M expenses, may be linked with CPI during the entire tariff control period. The Petitioner has also requested to allow Rs.50 million on account of CSR activities.
- 8.32. For assessment of Other O&M costs for the FY 2025-26, the Authority, keeping in view the cost as per the audited accounts of the Petitioner for the FY 2024-25, and incorporating therein inflationary impact as also requested by the Petitioner, has decided to allow an



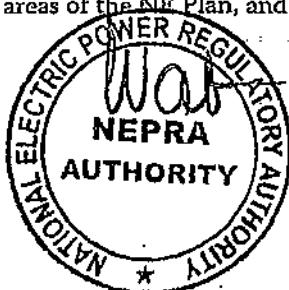


amount of Rs.2,950 million to GEPSCO for the FY 2025-26. The allowed amount of Rs. 2,950 million is being allowed for both the Distribution and Supply of Power function for the FY 2025-26.

- 8.33. However, while working out the other O&M expense the cost on account of PEPSCO management fee has been excluded, as also excluded by the Petitioner itself. Similarly, no costs on account of CSR activities is allowed as part of O&M expenses, and the Petitioner is direct to carry such activities from its allowed returns.
- 8.34. Since the Audited accounts of the Petitioner, do not provide bifurcation of the Other O&M costs in terms of Distribution and Supply Functions, therefore, for the purpose of allocation of total cost of other O&M costs in terms of Distribution and Supply Functions, the criteria as adopted by the Petitioner has been used. Accordingly, the cost of other O&M expenses for the FY 2025-26 pertaining to the distribution function works out as Rs. 2,631 million.
- 8.35. By considering the figures as per financial statement, the Authority has incorporated all the costs including bill collection, building rent, NEPRA fee, insurance cost, rent, rates & taxes, and travelling, transportation etc.
- 8.36. The aforementioned assessment for the FY 2025-26 shall be considered as reference for working out future Other Operating Expenses for remaining tariff control period to be adjusted based on change in "NCPI-General", in line with the mechanism provided in the instant determination. However, the vehicle running expenses would be adjusted with "NCPI-Transport", in line with the mechanism provided in the instant determination.
- 8.37. In case the Petitioner's actual O&M cost (excluding pay & Allowances & post-retirement benefits) for the relevant year as per its audited accounts is lower than the amount allowed for that year, any saving in this regard, shall be shared between consumers and the Petitioner in the ratio of 50:50. For future indexation of O&M cost during the MYT control period, the lower of allowed O&M cost or actual O&M cost of the previous year, after excluding therefrom the capex nature O&M and amount of O&M capitalized, if any, and pay & allowances & post-retirement benefits, shall be considered as reference.
- 8.38. If the actual O&M cost for the previous year, as referred above is not available at the time of projecting next year's O&M cost, the allowed cost for the previous year shall be considered as reference to be indexed as per the provided mechanism. Once the audited accounts for the previous year are available, the already projected O&M cost shall be reworked based on lower of allowed cost or actual O&M cost of the previous year. Any adjustment in this regard, if required, shall be made part of PYA. In addition, the allowed O&M cost shall also be adjusted based on mechanism provided in the instant determination. The Petitioner is also directed to disclose its O&M costs in terms of distribution and supply functions separately in its audited accounts.

#### PPMC Fee

- 8.39. Here it is pertinent to mention that some DISCOs during the hearing requested to allow cost on account of Management Fee of Power Planning and Monitoring Company (the "PPMC"). DISCOs in support of their request referred to the SRO 1358-I (2025) dated 29.07.2025, issued by the Ministry of Energy (PD), pursuant to the Federal Cabinet decision dated 27.10.2021, the National Electricity Policy, 2021, the National Electricity Plan (2023-2027), whereby it has been designated as a "designated entity" for the implementation of the priority areas of the NE Plan, and strategic roadmap as per the NE





- policy. The SRO further mandates the company to charge a fee from DISCOs, for the services rendered, as may be approved by the BoD of PPMC from time to time. The BoD of PPMC may, on annual basis, approve the annual budget and allocation of fees to DISCOs.
- 8.40. It has also been submitted that clause 34(f) of the IMF Country Report clearly acknowledges PPMC's role in supporting policy, regulatory and tariff affairs, sector reforms, privatization, CD management and integrated power and energy planning.
- 8.41. The Authority noted that the National Electricity Plan allows the designated entity to charge a regulatory fee, which shall be allowed by the Regulator. The Authority also noted that previously the Authority discontinued the PEPCO fee in the absence of appropriate structure in place. The Authority also takes cognizance of the SRO dated 29.07.2025, issued by the Ministry of Energy (PD), pursuant to the Cabinet decision, as well as other justifications submitted by the DISCOs regarding the declaration of PPMC as a "designated entity" and its role in supporting policy, regulatory, and tariff matters, sector reforms, privatization, CD management, and integrated power and energy planning.
- 8.42. However, the Authority is of the view that it would be in a better position to adjudicate the matter, once the DISCOs provide details of the actual costs incurred and the functions/ services performed as designated entity for DISCOs and others, duly substantiated with documentary evidence and justifications.
- 8.43. Accordingly, the Authority has decided to pend upfront allowing such cost on account of PPMC at this stage and may consider the same as part of the PYA, subject to the Petitioner furnishing the above details, with proper justification and supporting documentary evidence, along with fulfillment of the process prescribed in the SRO No. 1358(I)/2025.
- 8.44. On the submissions of the Petitioner, to allow certain costs as uncontrollable, the Authority noted that as per the approved tariff methodology, Power Purchase Price is the only uncontrollable cost which is allowed a pass-through item. However, considering the fact that XWDISCOs employees are hired on Government pay scales, thus, any salary and pension increase, announced by the Federal Government in Fiscal Budget is also applicable on such employees/ pensioners of XWDISCOs. Therefore, salaries & wages cost and pension expenses to the extent of such employees can be considered as un-controllable cost for XWDISCOs as long as they remain in public sector.
9. Whether the requested/projected amount under heads of Other Income, Depreciations and RORB based on WACC of 12.39% is justified?

#### Depreciation

- 9.1. Regarding Depreciation the Petitioner submitted that it is an important component in recovering the costs associated with capital investments. The projected depreciation has been calculated by applying the applicable depreciation rates to the Gross Fixed Assets in Operation, including the proposed investments for the next five years as per Business Plan. The Depreciation and RoRB will be considered revised in accordance with the approval of the Authority for the submitted Business Plan for FY 2025-26 to 2029-30. It is further added that in case of Private Sector Participation in GEPSCO, a reopen will be allowed by the Authority for revision of investment / tariff within a year following the private sector participation as the instant investment plan / tariff has been prepared without the



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involvement of the would-be investors/ managers. The Investment Plan already submitted to the Authority for approval is as follows:

	Description	2025-26	2026-27	2027-28	2028-29	2029-30	Total (Mn. Cr.)
		2025-26	2026-27	2027-28	2028-29	2029-30	
Infrastructure Renewal/ Expansion	STG	12,097	7,045	12,044	6,956	5,369	43,511
	ELR	4,974	5,499	2,928	3,692	3,799	20,891
	DOP	355	348	238	347	387	1,875
Digitization and Automation	SCADA	1,360	1,496	1,720	247	271	5,093
	APMS	1,817	3,773	3,999	-	-	9,588
	AMR/AMI	3,171	-	-	-	-	3,171
	ERP	50	30	30	30	30	170
	GIS Enterprise/ Mapping	70	60	-	-	-	130
	IBS and Allied Equipment	50	50	50	50	50	250
Operational Support	Software, Studies, Licences	50	50	50	50	50	250
	Transport	800	850	600	800	500	3,550
	Civil Works	650	564	530	460	450	2,654
Safety and Control	ABC Cable	-	115	127	139	153	535
	Safety Hazard Removal & Earthing	1,230	1,662	1,828	2,011	2,212	8,944
GEPSCO Financing		26,672	21,541	24,144	14,783	13,472	100,612
Others (Consumer Contribution/Deposit Works)		7,725	8,497	9,347	10,281	11,310	47,160
Grand Total		34,397	30,038	33,491	25,064	24,781	147,772

- 9.2. Accordingly, the requested depreciation by the Petitioner for the next five years are as follows:

Description	Rs. Mn.				
	2025-26	2026-27	2027-28	2028-29	2029-30
Total Depreciation	4,792	5,563	6,490	7,355	8,290
Allocated to Distribution Business	4,696	5,452	6,361	7,208	8,124
Allocated to Power Supply Business	96	111	130	147	166

- 9.3. As per the Petitioner, the depreciation expense has been allocated, with 2% assigned to the Power Supply Business and 98% to the Distribution Business. The depreciation expense for future years will be assessed in accordance with the following formula/mechanism:

DEP (Rev) = DEP (Ref) X GFAIO (Rev) / GFAIO (Ref)

DEP (Rev) = Revised Depreciation Expense for the Current Year

DEP(Ref) = Reference Depreciation Expense for the Reference Year

GFAIO (Rev) = Revised Gross Fixed Assets in Operation for the Current Year

GFAIO (Ref) = Reference Gross Fixed Assets in Operation for Reference Year

- 9.4. The Petitioner also submitted that for FY 2025-26, requested depreciation may be considered as reference cost for future adjustment / indexation. In addition, the allowed depreciation for previous year will be trued up based on actual investment (maximum cap to the extent of allowed investment) carried out during that year.

- 9.5. Regarding allowed investment for FY 2025-26 and FY 2026-27, since the Distribution Investment Plan (DIP) of the Petitioner is under regulatory proceedings, the Authority has decided to allow the following provisional Investments under head of own financing, which shall be subject to adjustments pursuant to the final decision of the Authority in matter of DIP of the Petitioner.



9.5.1.



Rs. Mln

Provisional Capex	GEPCO
FY 2025-26	10,366
FY 2026-27	13,752

- 9.6. The Authority decided that the above approved Investments are provisionally allowed for purpose of tariff rebasing and does not include the cost for AMI, APMS, scanning meters, Data Centers, etc., the investment in this smart metering area can only be started once DIP is approved, wherein the detailed project wise scope and cost approvals shall be decided in the final decision of DIP of GEPSCO.
- 9.7. Regarding the T&D Losses Target, the Authority has decided to provisionally approve the following loss target, considering the third-party study conducted by M/S PPI and M/S Power Aim and the previous target allowed to GEPSCO;

Provisional T&D Loss	GEPCO
FY 2025-26	8.85%
FY 2026-27	8.85%

- 9.8. The Petitioner is also directed to carry out a fresh study of its T&D loss study through an independent third-party, as per the approved ToRs, which shall be communicated to the Petitioner separately by NEPRA. The independent third-party T&D loss study must be submitted by the Petitioner within nine (09) months of issuance of this decision.
- 9.9. The T&D loss study submitted by an independent third-party shall be considered by the Authority and may, if deemed appropriate, be used for the review of T&D loss targets for the applicable period at the time of the next tariff rebasing for DISCOs (January 2027) or during the mid-term review (December 2027) of DIP, as the case may be.
- 9.10. Not used
- 9.11. Not used
- 9.12. After taking into account the new investments as mentioned above, the Gross Fixed Assets in Operation for the FY 2025-26 have been re-worked. Accordingly, the depreciation charge for the FY 2025-26 has been assessed as Rs.4,724 million calculated on actual depreciation rates for each category of Assets as per the Company policy, which will be considered as reference cost for working out future depreciation expenses for the remaining tariff control period, to be adjusted as per the mechanism provided in the instant determination.



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- 9.13. After carefully examining the relevant details and information pertaining to the deferred credit and amortization as per the accounts for the FY 2024-25, the Authority has projected amortization of deferred credit to the tune of Rs.2,103 million for the FY 2025-26. Accordingly, the consumers would bear net depreciation of Rs.2,621 million.
- 9.14. The actual depreciation reflected in the Audited accounts of the Petitioner for the FY 2024-25, do not provide bifurcation of depreciation cost in terms of Distribution and Supply Functions, therefore, for the purpose of allocation of depreciation cost in terms of Distribution and Supply Functions, the criteria as adopted by the Petitioner has been used. Accordingly, the depreciation cost for the FY 2025-26 pertaining to the distribution function works out as Rs.4,629 million.

#### Return on Regulatory Asset Base (RoRB)

- 9.15. Regarding RORB the Petitioner made the following submissions;

- ✓ The Petitioner submitted that as per the NEPRA Determination of Consumer-end-Tariff (Methodology & Process) Guidelines, 2015, the Authority considers a minimum equity ratio of 20% in case of negative equity, while any equity exceeding 30% is treated as debt. The equity and debt ratios are standardized at 30% and 70%, respectively.

The WACC is calculated using the following formula:

$$WACC = [K_e \times (E/V)] + [K_d \times (D/V)]$$

Where:

- $K_e$  = Return on Equity (RoE)
- $K_d$  = Cost of Debt

- ✓ Regarding Return on equity the Petitioner submitted that NEPRA employs the Capital Asset Pricing Model (CAPM) for determining the Return on Equity (RoE) component of the Weighted Average Cost of Capital (WACC). The Plain Vanilla WACC approach is used, treating the tax shield as zero, with any taxes paid considered as pass-through costs. CAPM is widely recognized and applied by regulatory agencies worldwide to estimate the cost of capital for regulated utilities. Cost of Equity is calculated as follows:

$$K_e = RF + (RM-RF) \times \beta$$

where

RF : Risk Free rate

RM : Market Return

B : Beta

- ✓ The expected return on any investment comprises the risk-free rate and a risk premium to compensate for the associated risk. The risk premium is the difference between the market rate of return and the risk-free rate, with the return on a stock market index typically serving as the benchmark for the market rate of return. NEPRA, in its determinations for other XWDISCOs such as LESCO, FESCO, and IESCO, analyzed the KSE-100 Index returns along with data from neighboring and international markets to derive an





appropriate market rate of return. For assessing beta, NEPRA reviewed prior studies, the range of betas used by international regulators, and its own benchmarks. Based on this evaluation, NEPRA applied a beta value of 1.10 and determined the Return on Equity (RoE) component as 14.47% for LESCO, FESCO, and IESCO.

- ✓ In alignment with these determinations and considering the same parameters, GEPSCO respectfully requests that the RoE component may also be set at 14.47%.

**Cost of Debt:**

- ✓ The cost of debt reflects the interest rate at which GEPSCO can borrow funds from the debt market or commercial banks. NEPRA estimates the cost of debt using the formula: Three months KIBOR + 2.00% spread
- ✓ The Petitioner submitted that it has calculated its cost of debt at 12.39% (by taking KIBOR @ 10% July 2025 & 9% January 26), aligning with its financial cost projections. The KIBOR used for the FY 2027 onward is 9% resulting WACC into 12.04%.

**Return on Rate Base:**

	Description	FY 2023-24 Audited	FY 2024-25 Determined	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected
A	Gross Fixed Assets in Operation - Opening Bal	92,384	106,986	111,489	133,631	154,546	180,251	204,023
B	Addition Fixed Assets	14,602	4,503	22,142	20,915	26,705	23,772	25,577
C	Gross Fixed Assets in Operation - Closing Bal	106,986	111,489	133,631	154,546	180,251	204,023	228,601
D	Less: Accumulated Depreciation	34,393	38,444	43,236	48,799	55,290	62,645	70,935
E	Net Fixed Assets in Operation	72,594	73,045	90,395	105,747	124,961	141,378	158,666
F	Add: Capital Work In Progress - Closing Bal	19,776	23,583	35,837	44,961	52,747	64,039	63,243
G	Investment in Fixed Assets	92,423	96,627	126,232	160,707	177,708	195,417	211,969
H	Less: Deteriorated Goods	34,197	36,947	44,871	53,168	62,516	72,797	84,106
I	Regulatory Assets Base	68,226	69,581	81,581	97,639	116,193	122,620	127,802
J	Average Regulatory Assets Base	60,635	68,953	70,621	89,660	106,366	118,807	125,211
Rate of Return		21.14%	17.06%	12.39%	12.04%	12.04%	12.04%	12.04%
Return on Rate Base		10,683	10,057	8,750	10,783	12,808	14,318	16,077

- ✓ Regarding RORB, the Petitioner during hearing revised its submissions and requested a WACC of 13.79% instead of earlier requested WACC of 12.39% due to change in KIBOR. The Petitioner requested that revised WACC is based on the average of KIBOR of 01 July 2025 & 1 January 2025 (works out to be 13.79%) and accordingly RORB is calculated on original DIIP. Earlier, WACC of 12.39% was based on provisional KIBOR of 01 July 2025. The RORB has been allocated, with 2% assigned to the Power Supply Business and 98% to the Distribution Business.

Description	2025-26	2026-27	2027-28	2028-29	2029-30	Rs. Mn.
Total Return on Rate Base	8,750	10,783	12,808	14,318	16,077	
Allocated to Distribution	8,575	10,567	12,551	14,031	14,775	
Allocated to Power Supply	175	216	256	286	302	

- ✓ As per the NEPRA Determination of Consumer-end-Tariff (Methodology & Process) Guidelines, 2015, the reference RoRB would be adjusted annually based on the amount of RAB worked out for the respective year after considering the amount of investment allowed for that year as per the following mechanism;

$$\text{RORB (Rev)} = \text{RORB (Ref)} \times \text{RAB (Rev)} / \text{RAB(Ref)}$$

*7/7/2024*





Where

RORB(Rev) = Revised Return on Rate Base for the Current Year

RORB(Ref) = Reference Return on Rate Base for the Reference Year

RAB(Rev) = Revised Rate Base for the Current Year

RAB(Ref) = Reference Rate Base for the Reference Year

- ✓ FY 2025-26, requested RORB may be considered as reference cost for future adjustment / indexation. In addition, the allowed RORB for previous year will be trued up based on actual investment (maximum cap to the extent of allowed investment) carried out during that year.

- ✓ Additionally, GEPSCO emphasized that interest payments are obligatory cash flow liabilities, unlike discretionary dividend payments. Considering that any default in such payments could adversely affect GEPSCO's financial position, it is requested the Authority to cover the risk of floating KIBOR. Accordingly, proposed that fluctuations in the reference KIBOR be adjusted biannually.

- 9.16. The Authority observed that as per Section 31(3) of the amended NEPRA Act, the following general guidelines shall be applicable to the Authority in the determination, modification or revision of rates, charges and terms and conditions for provision of electric power services;

*"(b) tariffs should generally be calculated by including a depreciation charge and a rate of return on the capital investment of each licensee commensurate to that earned by other investments of comparable risk;*

*(c) tariffs should allow licensees a rate of return which promotes continued reasonable investment in equipment and facilities for improved and efficient service;"*

- 9.17. In line with the aforementioned guidelines, the Authority allows DISCOs, a Weighted Average Cost of Capital (WACC) to account for the return on equity and cost of debt. Similarly, for recovery of principal portion of debt, the Authority includes a depreciation charge in the revenue requirement of DISCOs.

- 9.18. Consequent to the aforementioned discussion, the WACC works out as per formula given below;

Cost of Equity:

$$Ke = R_f + (R_m - R_f) \times \beta$$

Where;

$R_f$  is the risk free Rate

$R_m$  is the Market Return

$\beta$  is Beta

The cost of debt:

$$K_d = KIBOR + Spread$$

- 9.19. Accordingly, the WACC as per the given formula works out as under;

$$WACC = ((Ke \times (E / V)) + (K_d \times (D / V)))$$

Where E/V and D/V are equity and debt ratios respectively taken as 30% and 70%;



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- 9.20. The Authority uses the Capital Asset Pricing Model (CAPM) for calculation of Return of Equity (RoE) component of the WACC, being the most widely accepted model, which is applied by regulatory agencies all over the world to estimate the cost of capital for regulated utilities. Further, as per the Tariff methodology, in case of negative equity the Authority would consider a minimum of 20% equity and any equity in excess of 30% would be considered as debt.
- 9.21. The expected return on any investment is the sum of the risk-free rate and an extra return to compensate for the risk. This extra return or 'risk premium' is the difference between market rate of return and risk-free rate. Generally, the return on stock market index is taken as a measure of market rate of return. To have an appropriate measure of the market rate of return, analyzed KSE-100 Index return, over a period of 10 years i.e. FY 2016 to FY 2025. Further, return of different neighboring markets and other international markets were also analyzed.
- 9.22. For risk free rate, the yield of 05 years PIB is considered. The weighted average yield of accepted bids for 5 years PIB as of 17.07.2025 remained at 11.4916%. Regarding assessment of beta, the Authority has considered the earlier studies in the matter, range of betas used by international Regulators, and accordingly decided to use the beta of 1.10, while assessing the RoE component.
- 9.23. By taking into account the aforementioned factors, the RoE of the Petitioner works out differently, however, keeping in view the request of the Petitioner and the Authority's earlier decisions in the matter of other XWDISCOs and K-Electric, the Authority has decided to allow RoE component of 14.47%, PKR based.
- 9.24. Regarding the cost of debt, it is the interest rate on which a company would get borrowing from the debt market / commercial banks i.e. a rate at which banks lend to their customers. In order to have a fair evaluation of the cost of debt, the Authority has taken cost of debt as 3 month's KIBOR + 1.50% spread, as maximum cap. Consequently, the cost of debt has been worked out as 12.64% i.e. 3 Months KIBOR of 11.14% as of July 02, 2025 plus a spread of 1.50% (*150 basis points*).
- 9.25. In view thereof, the WACC for the FY 2025-26 has been worked out as under;

**Cost of Equity;**

$Ke = 14.47\%$

**The cost of debt is;**

$Kd = 12.64\%$

$$WACC = (Ke \times (E / V) + (Kd \times (D / V)))$$

Where E/V and D/V are equity and debt ratios respectively taken as 30% and 70%;

$$WACC = ((14.47\% \times 30\%) + (12.64\% \times 70\%)) = 13.19\%$$

- 9.26. Based on above and using WACC of 13.19% on RAB by including allowed investment for the FY 2025-26, the RoRB of the Petitioner for the FY 2025-26 has been worked out as under;



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GEPSCO		
Description	FY 2024-25	FY 2025-26
Fixed Assets C/B	106,088	137,611
Addition	30,625	11,292
Depreciation	137,611	148,903
Net Fixed Assets	38,436	43,160
Capital WIP C/B	99,174	105,743
Fixed Assets Inc. WIP	5,520	15,799
	104,694	121,542
Less: Deferred Credits	41,390	47,203
<b>Total</b>	<b>63,304</b>	<b>74,340</b>
 RAB	 68,822	
 WACC	 13.19%	
 RoRB	 9,077	

- 9.27. The total amount of RoRB as worked out above has been allocated in terms of Distribution and Supply Functions, as per the criteria adopted by the Petitioner itself. Accordingly, the RoRB for the FY 2025-26 pertaining to the Distribution function works out as Rs.8,895 million.
- 9.28. The reference RoRB would be adjusted every Year based on the amount of RAB worked out for the respective year after taking into account the amount of investment allowed for that year as per the mechanism given in the instant determination.
- 9.29. In addition, the allowed RAB for previous year will be trued up downward, keeping in view the amount of investment allowed for the respective year, other than consumer financed investments. In case, the Petitioner ends up making higher investments than allowed (other than consumer financed investments), the same would be the Petitioner's own commercial decision and would not be considered while truing up the RAB, unless due to any regulatory decisions/interventions/approved plans for which the Petitioner obtains prior approval of the Authority. In such case the Authority may also revise the efficiency targets in terms of T&D losses etc.
- 9.30. Here it is also pertinent to mention that the amount of receipts against deposit works has been adjusted while working out the cost of working capital, therefore, no adjustment on this account has been made from the RAB. In view thereof, any interest earned on such deposits shall not be adjusted as part of other income. The Petitioner therefore shall ensure a separate disclosure of such income in its audited accounts. In case of failure to disclose such income separately, the entire interest income shall be adjusted as part of other income.
- 9.31. The Authority also understands that interest payment is an obligatory cash flow liability unlike discretionary dividend payment and considering the fact that any default may hamper the financial position of the Petitioner, hence the Authority has decided to cover the risk of floating KIBOR. Accordingly, fluctuation in the reference KIBOR would be adjusted biannually as also requested by the Petitioner itself. In addition, the Authority has also decided to adjust savings, if any, resulting from cheaper financing by the Petitioner. If the Petitioner manages to negotiate a loan below 1.50% spread, the entire

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savings would be passed onto the consumers annually, through PYA. In case of more than one loan, the saving with respect to the spread would be worked out based on individual loans. In case, the spread is greater than the allowed cap of 1.50%, additional cost would be borne by the Petitioner itself. Similarly, if the Petitioner's total actual cost of debt remains lower than the cost allowed for the year, the entire savings would also be passed onto the consumers annually, through PYA.

Other Income

- 9.32. Other Income for GEPICO includes revenues from sources such as mark-up on bank deposits, amortization of deferred credit, sale of scrap etc. Based on the audited figure for FY 2023-24 of Rs. 4,478 million, a 10% annual increase is projected in the tariff petition, reflecting historical trends and future projections. Any deviation in actual Other Income will be trued up annually. The proposed Other Income figures are as follows:

Description	2025-26	2026-27	2027-28	2028-29	2029-30	Rs. Mn
Total Other Income	5,418	5,960	6,556	7,212	7,933	
Allocated to Distribution	5,418	5,960	6,556	7,212	7,933	
Allocated to Power Supply	3,793	4,172	4,589	5,048	5,553	

- 9.33. However, during hearing the Petitioner revised its request regarding other income and requested total other income of Rs.4,967 million for both functions. As per the Petitioner, 70% of Other Income is allocated to the Power Supply Business, and 30% to the Distribution Business. As per the NEPRA Consumer-end-Tariff Guidelines (2015), Other Income will be indexed annually using the following prescribed formula:

$$OI(Rev) = OI(I) - OI(0)$$

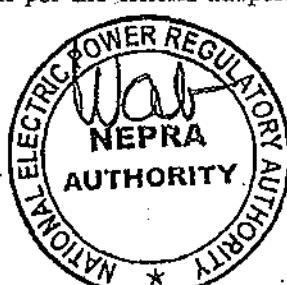
Where:

OI(Rev) = Revised Other Income for the Current Year

OI(I) = Actual Other Income as per latest Financial Statements.

OI(0) = Actual / Assessed Other Income used in the previous year.

- 9.34. Other income is considered to be a negative cost which may include, but not be limited to, amortization of deferred credit, meter and rental income, late-payment charges, profit on bank deposits, sale of scrap, income from non-utility operations, commission on PTV fees and miscellaneous income.
- 9.35. Since the other income would be trued up every year as per the mechanism provided in the instant determination, therefore, for the FY 2025-26, the Authority has decided to allow an amount of Rs.4,967 million based on audited accounts of the Petitioner for FY 2024-25, including the amount of amortization of deferred credit but exclusive of the amount of late payment charges (LPS), for both of its Distribution and Supply functions.
- 9.36. The Authority in consistency with its earlier decision, on the issue, has not included the amount of LPS while assessing the other income for the FY 2025-26. Here it is pertinent to mention that the LPS recovered from the consumers on utility bills shall be offset against the late payment invoices raised by CPPA (G) against respective XWDISCO only; and in the event of non-submission of evidence of payment to CPPA (G), the entire amount of Late Payment charge recovered from consumers shall be made part of other income and deducted from revenue requirement in the subsequent year.
- 9.37. The total amount of Other Income as worked out above has been allocated in terms of Distribution and Supply Functions, as per the criteria adopted by the Petitioner itself.





Accordingly, Other Income for the FY 2025-26 pertaining to the Distribution function works out as Rs.1,490 million.

- 9.38. The reference Other Income determined for the FY 2025-26 would be adjusted annually as per the adjustment mechanism prescribed in the instant determination.
10. What will be adjustment mechanism for future indexation of different components of revenue requirement during the MYT? Whether there should any efficiency factor (X Factor)?
- 10.1. Regarding adjustment mechanism of different components, the Petitioner submitted as under:

Indexation of O & M Expenses:

O & M (Rev) = Revised O&M Expense for the Current Year  
O & M (Ref) = Reference O&M Expense for the Reference Year  
 $\Delta$ CPI = Change in Consumer Price Index published by Pakistan Bureau of Statistics  
X = Efficiency factor to be set at zero

Depreciation

DEP (Rev) = DEP (Ref) X GFAIO(Rev) / GFAIO (Ref)  
DEP (Rev) = Revised Depreciation Expense for the Current Year  
DEP(Ref) = Reference Depreciation Expense for the Reference Year  
GFAIO (Rev) = Revised Gross Fixed Assets in Operation for the Current Year  
GFAIO (Ref) = Reference Gross Fixed Assets in Operation for Reference Year  
RoRB

RORB(Rev) = RORB (Ref) X RAB (Rev) / RAB(Ref)

Where

RORB(Rev) = Revised Return on Rate Base for the Current Year  
RORB(Ref) = Reference Return on Rate Base for the Reference Year  
RAB(Rev) = Revised Rate Base for the Current Year  
RAB(Ref) = Reference Rate Base for the Reference Year

Other Income

OI(Rev) = OI(I) - OI(0)

Where:

OI(Rev) = Revised Other Income for the Current Year  
OI(I) = Actual Other Income as per latest Financial Statements.  
OI(0) = Actual/Assessed Other Income used in the previous year.

- 10.2. The Authority, while assessing the O&M costs of the Petitioner for the FY 2025-26, has taken into account the audited accounts of the Petitioner for the FY 2024-25 and the amount requested by the Petitioner, subject to adjustment during the MYT control period, as per the mechanism mentioned below. Therefore, risk / benefit of any future cost fluctuations, lies with the Petitioner along with an opportunity for optimizing overall costs



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under these head. The treatment is in line with the very spirit of multi- year tariff regime and in accordance with Authority's approved tariff methodology.

- 10.3. Regarding adjustment of O&M costs with efficiency factor X, the Authority in line with its earlier decisions in the matter of MYTs, has decided to keep the efficiency factor as 30% of increase in NCPI for the relevant year of the MYT control period. The Authority has further decided to implement the efficiency factor from the 3<sup>rd</sup> year of the control period, in order to provide the Petitioner with an opportunity to improve its operational performance, before sharing such gains with the consumers. The O&M part of Distribution Margin shall be indexed with NCPI subject to adjustment for efficiency gains (X factor).

Indexation of O&M cost components

- 10.4. Salaries & Wages and Post-retirement Benefits; Considering the fact that employees of XWDISCOs are hired on Government pay scales, and any salary increase announced by the Federal Government in the Federal Budget is applicable on the employees of the Petitioner, therefore, being un-controllable cost, the Salaries & Wages and benefits, would be actualized, based on the audited accounts of the Petitioner for the relevant year for its existing employees, as long as they remain in public sector. The impact of any such adjustment would be allowed as part of PYA in the next indexation/ adjustment request or tariff determination as the case may be.

Adjustment Mechanism- Salaries, Wages & Other Benefits
Revised Salaries, Wages & Other Benefits Expenses = Ref. Salaries, Wages & Other Benefits $\times [1 + (\text{GoP Increase or CPI})]$
The allowed Salaries, Wages & Other Benefits may be considered as reference cost for future adjustment.
This Authority may consider to allow GoP increase till the time the DISCOs remain in public sector, otherwise CPI indexation may be allowed if DISCOs get privatized.
The allowed amount shall be actualized based on Audited accounts for the relevant year, considering the same as uncontrollable cost on part of XWDISCOs.

- 10.5. Post-retirement benefits would be allowed based on the actuarial valuation report for the year for which assessment is being made or as per the latest available audited financial statements. It would be mandatory for the Petitioner to deposit the whole amount of allowed post-retirement benefits into the separate Fund and route all its pension payments through the Fund. If the Petitioner fails to transfer the whole amount of post-retirement benefits into the Fund, the Authority would adjust the deficit payments in the next year's provision and from thereon, only actual amounts paid and amount transferred into the fund would be allowed.

- 10.6. Transportation/Vehicle Running expense portion of O&M cost

- 10.7. The reference costs would be adjusted every Year with Transport index of NCPI. The Adjustment mechanism would be as under;

Vehicle running/Transportation expenses (Rev) =

(Vehicle running/Transportation expenses (Ref.)  $\times [1 + (\text{Transport index of NCPI})]$ )

- 10.8. Remaining O&M costs will be indexed every year according to the following formula:

The reference costs would be adjusted every Year with NCPI-X factor. The X factor would be applicable from the 3<sup>rd</sup> year of the MYT control period. The Adjustment mechanism would be as under;



9 May



$$O \& M(\text{Rev}) = O \& M (\text{Ref.}) \times [1 + (\Delta \text{NCPI} \times X)]$$

Where

$O \& M (\text{Rev})$  = Revised O&M Expense for the Current Year

$O \& M (\text{Ref.})$  = Reference O&M Expense for the Reference Year

$\Delta \text{NCPI}$  = Change in NCPI published by Pakistan Bureau of Statistics for the month of December for the respective year. For O&M expenses, other than vehicle running expenses, NCPI-General shall be used, whereas for Vehicle Running expense, NCPI-Transport shall be used. Reference NCPI-General and NCPI-Transport of December 2024 for the purpose of future adjustment/ indexation shall be 4.07% and ~ 0.18% respectively.

$X$  = Efficiency factor i.e. 30% of NCPI relevant for indexation purpose

#### RORB

- 10.9. The reference RoRB would be adjusted every Year based on the amount of RAB worked out for the respective year after taking into account the amount of investment allowed for that year as per the following mechanism;

Adjustment Mechanism - RoRB	
$\text{RORB}(\text{Rev})$	$= \text{RORB}(\text{Ref}) \times \text{RAB}(\text{Rev}) / \text{RAB}(\text{Ref})$
The allowed RORB may be considered as reference cost for future adjustment.	
In addition the allowed RORB for previous year will be trued up based on actual investment (maximum cap to the extent of allowed investment) carried out during that year. Further KIBOR fluctuation on bi-annual basis also subject to adjustment. Further Spread of 1.50% is allowed as maximum cap, in case DISCOs manage to obtain financing on spread less than 1.5% the same shall be adjusted as part of PYA.	

- 10.10. In addition, the Petitioner shall be required to disclose the amount of IDC capitalized during the year and adjust its RAB for the year after excluding therefrom the impact of IDC capitalized during the year.
- 10.11. In addition, the allowed RAB for previous year will be trued up downward, keeping in view the amount of investment allowed for the respective year, other than consumer financed investments. In case, the Petitioner ends up making higher investments than allowed (other than consumer financed investments), the same would be the Petitioner's own commercial decision and would not be considered while truing up the RAB, unless due to any regulatory decisions/interventions/approved plans for which the Petitioner obtains prior approval of the Authority. In such case the Authority may also revise the efficiency targets in terms of T&D losses etc.
- 10.12. The Authority also understands that interest payment is an obligatory cash flow liability unlike discretionary dividend payment and considering the fact that any default may hamper the financial position of the Petitioner, hence the Authority has decided to cover the risk of floating KIBOR. Accordingly, fluctuation in the reference KIBOR would be adjusted biannually. In addition, the Authority has also decided to adjust savings, if any, resulting from cheaper financing by the Petitioner. If the Petitioner manages to negotiate a loan below 1.50% spread, the entire savings would be passed onto the consumers annually, through PYA. In case of more than one loan, the saving with respect to the





spread would be worked out based on individual loans. In case, the spread is greater than the allowed cap of 1.50%; additional cost would be borne by the Petitioner itself. Similarly, if the Petitioner's total actual cost of debt remains lower than the cost allowed for the year, the entire savings would also be passed onto the consumers annually, through PYA.

#### Depreciation Expenses

- 10.13. The reference Depreciation charges would be adjusted every Year as per the following formula;

$$\text{DEP (Rev)} = \text{DEP (Ref)} \times \text{GFAIO (Rev)}$$

GFAIO (Ref)

Where: DEP (Rev) = Revised Depreciation Expense for the Current Year

DEP (Ref) = Reference Depreciation Expense for the Reference Year

GFAIO (Rev) = Revised Gross Fixed Assets in Operation for the Current Year

GFAIO (Ref) = Reference Gross Fixed Assets in Operation for the Reference Year

- 10.14. In addition, the allowed Depreciation for previous year will be trued up downward, keeping in view the amount of investment allowed for the respective year, other than consumer financed investments. In case, the Petitioner ends up making higher investments (excluding consumer financed investments) than the allowed, the same would be the Petitioner's own commercial decision and would not be considered while truing up the depreciation expenses, unless due to any regulatory decisions/interventions/approved plans for which the Petitioner obtains prior approval of the Authority.

#### Other Income

- 10.15. Other Income shall be adjusted annually as per the following mechanism during the MYT control period to calculate future Other Income.

Adjustment Mechanism - Other Income (OI)	
OI(Rev)	= OI(Allowed Previous year) + [OI(allowed for previous year) - OI(Actual previous year)]
<p>The allowed Other income may be considered as reference cost for future adjustment. In addition the allowed Other Income for previous year will be trued up based on actual Other Income during that year</p>	

#### Working Capital

- 10.16. The Authority during proceedings directed the Petitioner to provide it working capital calculation and has considered the submissions of the Petitioner. In order to access the working capital requirement of the Petitioner, the Authority obtained details of number of days available with the Petitioner to pay in terms of energy procured from National Grid. Based on the information provided by CPPA-G and in line with the mechanism adopted for KE, the working capital requirement of the Petitioner for its distribution function has been assessed as under;





Distribution working Capital	Credit Period	Days	Factors	GEPICO
Stores and Spares (3% of GFA)		3%	3%	4,467
Trade debt (30 days of Revenue Receivable)		30	0.08	3,251
<b>Total Current Assets</b>				<b>7,718</b>
<b>Current Liabilities</b>	<b>2/3</b>		<b>66.67%</b>	<b>5,145</b>
<b>Working Capital Requirement</b>				<b>2,573</b>
Less Receipt Against Deposit Work				10,234
<b>Net Working Capital</b>				<b>(7,661)</b>
Cost of debt local				12.00%
<b>Working Capital Cost</b>				<b>(919)</b>

10.17. As mentioned in the table above, the Petitioner's working capital requirement for the distribution function has been assessed as Rs.2,573 million. The Authority considers that receipts against deposit works, being related with distribution network business, are also required to be accounted for as part of working capital calculations. By including the amount of receipt against deposit works available with the Petitioner, as per the data provided by the Petitioner, its net cost of working capital for the distribution function works out as negative Rs.919 million based on 3 months KIBOR i.e. 11% +1% spread as maximum cap subject to downward adjustment in case the actual spread remains lower. The same is allowed to Petitioner for the CY 2026, and is subject to adjustment, as per the mechanism provided below, once the audited accounts of Petitioner for the FY 2025-26 are available.

**Working capital (Distribution)**

**Formula for Future Adjustment**

Revised cost of working capital = Working capital requirement as per given formula x Cost of debt on allowed parameters

- Working capital requirement shall be calculated based on assessed revenue requirement under each head for relevant year.

- Cost of Debt shall 3 Months KIBOR + 1% spread as maximum cap, subject to downward adjustment at the end of each financial year.

**Actualization of Previous year based on allowed revenue as PYA**

**Current Assets**

- Lower of 30 days receivables based on allowed revenue (including the impact of allowed adjustments), but excluding Working Capital cost OR Actual average Receivables for the Financial Year (excluding opening receivables).
- Stores & Spares - Lower of 3% of Avg. GFA (opening + closing)/2 or Actual average Stores & Spares, GFA based on based on Audited account to the extent of allowed Investment.
- Lower of allowed Cash & bank balance or Actual Cash & Bank Balances (Excluding cash/bank balance not meant for O&M expenses)



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Current liabilities

- 2/3rd of aforementioned current assets (Receivables + Stores & spares + Cash)
- Receipt against deposit work figure will be actualized based Audited Financial statement initially and finally based on third party evaluation.
- Any other amount retained by the Petitioner
- For the purpose of 3 - Month KIBOR, the actual weighted average KIBOR of finance cost incurred by the Petitioner shall be considered. Similarly, for the purpose of spread, actual weighted average spread incurred by the Petitioner shall be considered. In case actual weighted average spread is lower than 1% cap, the same shall be adjusted downward only. No upward adjustment of spread is allowed.

Here it is also pertinent to mention that since the amount of receipts against deposit works has been adjusted while working out the cost of working capital, therefore, any interest earned on such deposits shall not be adjusted as part of other income. The Petitioner therefore shall ensure a separate disclosure of such income in its audited accounts. In case of failure to disclose such income separately, the entire interest income shall be adjusted as part of other income.

11. Whether there will be any claw back mechanism or not?

- 11.1. Although DISCOs made their submissions on this issue, however, the Authority noted that DISCOs were not able to fully comprehend the issue.
- 11.2. The Authority understands that sharing mechanism for any savings by the utility has already been provided under each head separately e.g. O&M costs, T&D losses, cost of debt etc. therefore, no such mechanism is separately required. However, still if there is any additional return by the Petitioner, which could not be comprehended at this stage, the same would be shared between DISCO and consumers equally.

12. Upfront Indexation/adjustment for the period July 2026 to December 2026

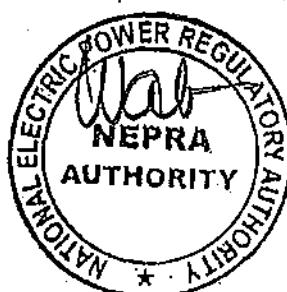
- 12.1. The Ministry of Energy (MoE) vide letter dated 18.08.2025, submitted that NEPRA determines the consumer-end tariff for XWDISCOs and K-Electric, in accordance with Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the "Act"), read with Rule 17 of the Rules. The uniform rebased tariff, once determined, is notified by the Federal Government under Section 31(7) of the Act. The latest rebasing was notified on July 1, 2025. In accordance with the Rules read with Part 5 of the NEPRA Determination of Consumer-end Tariff (Methodology & Process) Guidelines, 2015, the Distribution Companies (DISCOs) are required to initiate the tariff determination process by submitting their minimum filing requirements by January 31<sup>st</sup> of each year. The submission is followed by Authority's internal meetings, public hearing, tariff determination and notification by the Government. Keeping in view the recent annual tariff determinations, the rebasing is notified by the Government in the month of July, each year with effect from 1<sup>st</sup> July.
- 12.2. The MoE further mentioned that as an unfortunate coincidence, the consumers face high Fuel Charges Adjustments (FCAs) as well as the annual tariff rebasing, simultaneously in the summer months. This increase in tariff coupled with higher consumption leads to significant hike in the consumer electricity bills of summer months which in turn results





in unaffordability, public dissatisfaction and nationwide protests in the country. The issue can be streamlined if the timing of annual rebasing is shifted from summer to winter months where the electricity consumption is lower and any tariff increase can be absorbed in consumer bills. This would result in relatively stable and sustainable electricity prices throughout the year. The National Electricity Plan Strategic Directive 8 also stipulates that the Regulator shall also revisit the "Guidelines for Determination of Consumer End Tariff (Methodology and Process), 2015" to enable alignment of schedule of regulatory proceedings for planning activities and rate case & tariff determinations.

- 12.3. The MoE submitted that the Cabinet has approved that policy guidelines may be issued to NEPRA to revise the annual tariff determination process timelines by amending the relevant legal and regulatory framework in a way that the rebasing is notified with effect from 1<sup>st</sup> January, each year, after completion of all regulatory proceedings. In this regard, it is highlighted that NEPRA has already determined Power Purchase Price (PPP) references up to June 2026. Projections for the remaining six months will be shared subsequently.
- 12.4. In light of above and in exercise of powers under Section 31 of the Act, the Federal Government hereby issues the following policy guidelines for implementation by NEPRA;  
*"NEPRA shall revise the annual tariff determination process timelines by amending the relevant legal and regulatory framework (guidelines, rules and procedures) to ensure that annual rebasing is notified with effect from January 1<sup>st</sup> of each year, after completion of all regulatory proceedings."*
- 12.5. GEPCO also vide letter dated 17.10.2025, submitted that the MoE vide letter dated 16.10.2025, has conveyed that the Federal Government has approved the revision of the annual tariff determination schedule, making it effective from 1<sup>st</sup> January each year. The Authority has already determined the Power Purchase Price (PPP) references up to June 2026; accordingly, it is submitted that the references for the remaining period up to December 2026 may also be determined, in line with the above-mentioned directives.
- 12.6. GEPCO further stated that it has already submitted its Multi-Year Tariff (MYT) Petition for FY 2025-26 to FY 2029-30 for determination and the decision of the Authority is awaited. Meanwhile, an interim tariff for FY 2025-26 has been determined by the Authority in response to PESCO's request dated 29.05.2025.
- 12.7. GEPCO accordingly requested that the Authority to determine the consumer-end tariff for the period from July 1, 2026 to December 31, 2026 in accordance with the revised annual rebasing timeline effective January 1, 2026, to ensure smooth and timely transition to the revised rebasing schedule.
- 12.8. The matter was discussed during the hearing, and the Petitioner requested the following costs on account of interim indexation for the 06 months period from Jul. 26 to Dec. 26;



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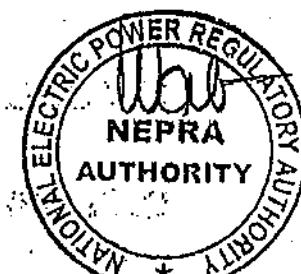


Description	GEPSCO
Salaries, Wages & Other Benefits	9,413
Post Retirement Benefits	5,906
Other O & M Costs	3,136
Depreciation	2,636
Return on Rate Base	5,356
Turn Over Tax	
<b>Gross Distribution Margin</b>	<b>26,447</b>
Less: Other Income	(2,732)
<b>Net Distribution Margin</b>	<b>23,715</b>

- 12.9. The Authority has considered the guidelines issued by the Federal Government regarding tariff rebasing to be made effective from 1<sup>st</sup> January, instead of July each year. The Authority is cognizant of the fact that rebasing of tariff effective July, if upward, coupled with high consumption, leads to increase in overall electricity bills during summer months; thus, adversely impacting DISCOs performance in terms of recoveries and losses. However, even with re-basing in January, the overall billing impact for the consumers in summer months would remain same, had the rebasing been made effective from July. Nonetheless, in light of NE Plan, SD 8 and the instant policy guidelines, the Authority has completed the consultation process for revision in "Guidelines for Determination of Consumer End Tariff (Methodology and Process), 2015", and the same are now in the process of notification.
- 12.10. Further, in light of the instant policy guidelines, the Authority has determined the revised Power Purchase Price (PPP) references for the period from January 2026 to December 2026 through a separate decision. Pursuant thereto and keeping in view the request of the Petitioner to also determine tariff for the period from July 1, 2026 to December 31, 2026, in accordance with the revised annual rebasing timelines, the Authority has also determined provisional revenue requirement of GEPSCO for the period from July 1, 2026 to December 31, 2026 as under:

July to December 2026		July 1, 2026-27
Description	Amount	Amount
Pay & Allowances	[Mln. Rs.]	8,925
Post Retirement Benefits	[Mln. Rs.]	6,587
Repair & Maintenance	[Mln. Rs.]	1,470
Traveling allowance	[Mln. Rs.]	266
Vehicle maintenance	[Mln. Rs.]	547
Other expenses	[Mln. Rs.]	753
<b>O&amp;M Cost.</b>	<b>[Mln. Rs.]</b>	<b>12,727</b>
Depreciation	[Mln. Rs.]	2,485
RORB	[Mln. Rs.]	5,787
O. Income	[Mln. Rs.]	(2,484)
<b>Margin</b>	<b>[Mln. Rs.]</b>	<b>10,030</b>

- 12.11. For the purpose of rebasing for the period from Jan. to Dec. 2026, the amount recovered by the Petitioner, to the extent of distribution and supply margin along-with PYA, from Jul. to Dec. 25, based on interim tariff allowed for the FY 2025-26, has been adjusted from the revised assessed tariff for the FY 2025-26. The recovered amount has been calculated



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by applying the Rs./kWh rate as per the interim tariff (to the extent of Distribution & Supply Margin and PYA), with the projected unit sales from July to December 2025.

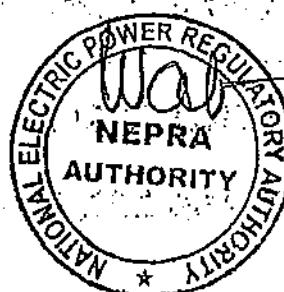
- 12.12. The adjusted revenue requirement so worked out for the period from Jan. to Jun. 26 has been clubbed together with the provisional revenue requirement determined for the period from Jul. to Dec. 2026, to work out the overall revenue requirement of the Petitioner for the period from January 2026 to December 2026. The Schedule of Tariff (SoT) of the Petitioner has been designed accordingly.
- 12.13. Any under over recovery of the determined revenue requirement for the FY 2025-26, based on the allowed regulatory targets in terms of T&D losses, recovery etc., and provisional revenue requirement being allowed for the six months period i.e. from Jul. to Dec. 26, would be adjusted subsequently, while determining the final revenue requirement of the Petitioner for the FY 2026-27.

**13. Order**

- 13.1. In view of the discussion made in preceding paragraphs and accounting for the adjustments discussed above, the allowed revenue requirement of the Petitioner, for the FY 2025-26 along-with upfront indexation/adjustment from July to December 2026 and Tarif table of CY 2026 (January 2026 to December 2026), to the extent of its distribution function is summarized as under;

Description	Revised Allowed FY 2025-26		Allowed CY 2026	
	Units	Pay & Allowances	Units	Pay & Allowances
Units Received	[MkWh]		12,063	
Units Sold	[MkWh]		10,995	
Units Lost	[MkWh]		1,068	
Allowed T&D Losses	[%]		8.85%	
Pay & Allowances	[Mln. Rs.]	12,836	12,982	
Post Retirement Benefits	[Mln. Rs.]	8,982	8,404	
Repair & Maintenance	[Mln. Rs.]	2,714	3,489	
Traveling allowance	[Mln. Rs.]	376	335	
Vehicle maintenance	[Mln. Rs.]	979	1,198	
Other expenses	[Mln. Rs.]	1,276	1,027	
O&M Cost	[Mln. Rs.]	1,163	1,157	
Depreciation	[Mln. Rs.]	4,629	5,233	
RORB	[Mln. Rs.]	8,895	9,999	
O.Income	[Mln. Rs.]	(1,490)	(1,370)	
Margin	[Mln. Rs.]	20,197	21,298	
Prior Year Adjustment	[Mln. Rs.]			
Working Capital	[Mln. Rs.]		(919)	
Revenue Requirement	[Mln. Rs.]	32,197	30,378	
Average Tariff	[Rs./kWh]		3.67	

- 13.2. The above assessment has been carried out based on the data/information provided by the Petitioner, which the Authority believes is correct and factually accurate. In case of any deviation / misrepresentation observed at a later stage, the Petitioner shall be held responsible for the consequences stipulated under the NEPRA Act and rules and



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regulations made thereunder. Any consequential adjustment if required will be made accordingly.

- 13.3. The Petitioner is directed to follow the below time lines for submission of its future indexation/adjustment during the MYT control period;

Description	ADJUSTMENTS/ INDEXATION	TIME LINES
Salaries, Wages & Benefits		
Post-retirement Benefit	Annually as per the mechanism given in the decision	
Other operating expenses		
Depreciation		
Return on Regulatory Asset Base		
Other Income		
Prior Year Adjustment	Annually as per the mechanism given in the decision	
KIBOR	Bi-Annually, as per the decision	
Return on Equity (ROE)	No adjustment allowed over Reference ROE	
Spread	As per the mechanism in the decision	

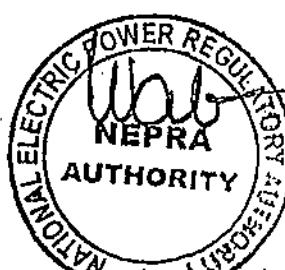
- 13.4. For determination of use of system charges based on the aforementioned revenue requirement the Petitioner is directed to file its use of system charges petitions in line with applicable documents.
- 13.5. The Petitioner is responsible to provide distribution service within its service territory on a non-discriminatory basis to all the consumers who meet the eligibility criteria laid down by the Authority and make its system available for operation by any other licensee, consistent with applicable instructions established by the system operator.
- 13.6. The Petitioner is directed to ensure separate disclosure of each item in its audited financial statements as mentioned in the determination.
- 13.7. The Petitioner is also directed to ensure breakup of its Operating cost in terms of Distribution and Supply function separately in its audited financial statements.
- 13.8. The Petitioner shall follow the performance standards laid down by the Authority for distribution and transmission of electric power, including safety, health and environmental protection instructions issued by the Authority or any Governmental agency of the Federal Government or the Provincial Government;
- 13.9. The Petitioner shall ensure that it develops, maintains and publicly makes available, its investment program for satisfying its service obligations and acquiring and selling its assets.
- 13.10. The Petitioner shall disconnect the provision of electric power to a consumer for default in payment of power charges or to a consumer who is involved in theft of electric power on the request of Licensee.
- 13.11. The Petitioner shall comply with, all the existing or future applicable Rules, Regulations, orders of the Authority and other applicable documents as issued from time to time.

**14. Summary of Direction**

- 14.1. The Authority hereby directs the Petitioner to;

- i. Provide year wise detail of amounts deposited in the Fund, amount withdrawn along-with profit/interest earned thereon since creation of Fund each year.
- ii. Provide the amount of IDC capitalized with its subsequent adjustment request and reflect the same in its Audited Financial Statements each year.

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- iii. Ensure that by the time it files its next tariff petition/ adjustment request, MDI for all consumers at all levels is properly recorded.
- iv. Provide a certification from its Auditors that Repair and Maintenance expenditure does not include any CAPEX nature item.
- 15. The Determination of the Authority along-with order part, is hereby intimated to the Federal Government for filing of uniform tariff application in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.
- 16. The instant determination of the Authority along-with order part, be also notified in terms of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, while notifying the uniform tariff application decision of the Authority.

**AUTHORITY**

Amina Ahmed  
Member

Engr. Maqsood Anwar Khan  
Member

Waseem Mukhtar  
Chairman



Wasim Anwar Bhinder  
Registrar-1  
Wednesday, 14 January, 2026, 12:058 PM



Registrar

# National Electric Power Regulatory Authority

## Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad.  
Tel: +92-51-9206500, Fax: +92-51-2600026  
Web: [www.nepra.org.pk](http://www.nepra.org.pk), E-mail: [registrar@nepra.org.pk](mailto:registrar@nepra.org.pk)

No. NEPRA/TRF-620/GEPCO-Supply/2025/ 273-80

January 07, 2026

**SUBJECT: DETERMINATION OF THE AUTHORITY IN THE MATTER OF PETITION FILED BY GUJRANWALA ELECTRIC POWER COMPANY LIMITED (GEPCO) FOR DETERMINATION OF SUPPLY TARIFF UNDER MYT REGIME FOR THE FY 2025-26 TO FY 2029-30**

Please find enclosed herewith the subject Determination of the Authority alongwith Annexures (total 70 pages).

2. The Determination of the Authority, is hereby intimated to the Federal Government for filing of uniform tariff application in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997. The instant determination of the Authority along-with order part and Annexures, be also notified in terms of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, while notifying the uniform tariff application decision of the Authority.

Enclosure: As above

  
(Wasim Anwar Bhinder)

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

Copy to:

1. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad
2. Mr. Shehriyar Abbasi, Deputy Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
3. Secretary, Energy Department., Government of the Punjab, 8<sup>th</sup> Floor, EFU House, Main Gulberg, Jail Road, Lahore
4. Managing Director, National Grid Company (NGC) of Pakistan, 414 WAPDA House, Shahrah-e-auid-e-Azam, Lahore
5. Chief Executive Officer, Central Power Purchasing Agency Guarantee Ltd. (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
6. Chief Executive Officer, Gujranwala Electric Power Company Ltd. (GEPCO), 565/A, Model Town, G.T. Road, Gujranwala
7. Chief Executive Officer, Independent System and Market Operator (ISMO) of pakistan, Pitras Bukhari Road, Sector H-8/1, Islamabad



National Electric Power Regulatory Authority  
(NEPRA)

PETITION NO: NEPRA/ TRF-620/GEPSCO/MYT-Supply/2025

DETERMINATION OF SUPPLY TARIFF PETITION  
FOR  
GUJRANWALA ELECTRIC POWER COMPANY LIMITED (GEPSCO)  
FOR THE FY 2025-26 – FY 2029-30  
UNDER  
NEPRA TARIFF (STANDARDS AND PROCEDURE) RULES - 1998

Islamabad

JANUARY 07, 2026



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Abbreviations

CpGenCap	The summation of the capacity cost in respect of all CpGencos for a billing period minus the amount of liquidated damages received during the months
ADB	Asian Development Bank
AMI	Advance Metering Infrastructure
AMR	Automatic Meter Reading
BoD	Board of Director
BTS	Base Transceiver Station
CAPM	Capital Asset Pricing Model
CDP	Common Delivery Point
COSS	Cost of Service Study
CPPA (G)	Central Power Purchasing Agency Guarantee Limited
CTBCM	Competitive Trading Bilateral Contract Market
CWIP	Closing Work in Progress
DIIP	Distribution Company Integrated Investment Plan
DISCO	Distribution Company
DM	Distribution Margin
DOP	Distribution of Power
ELR	Energy Loss Reduction
ERC	Energy Regulatory Commission
ERP	Enterprise resource planning
FCA	Fuel Charges Adjustment
FY	Financial Year
GIS	Geographical Information System
GOP	Government of Pakistan
GWh	Giga Watt Hours
HHU	Hand Held Unit
HT/LT	High Tension/Low Tension
HSD	High Speed Diesel
IGTDP	Integrated Generation Transmission and Distribution Plan
IESCO	Islamabad Electric Supply Company Limited
KIBOR	Karachi Inter Bank Offer Rates
KSE	Karachi Stock Exchange
KV	Kilo Volt
kW	Kilo Watt
kWh	Kilo Watt Hour
LPC	Late Payment Charges
MDI	Maximum Demand Indicator
MMBTU	One million British Thermal Units
MoWP	Ministry of Water and Power
MVA	Mega Volt Amp





MW	Mega Watt
NEPRA	National Electric Power Regulatory Authority
NOC	Network Operation Centre
NTDC	National Transmission & Despatch Company
O&M	Operation and Maintenance
OGRA	Oil and Gas Regulatory Authority
PEPCO	Pakistan Electric Power Company
GEPCO	Gujranwala Electric Power Company Limited
PDEIP	Power Distribution Enhancement Investment Program
PDP	Power Distribution Program
PPA	Power Purchase Agreement
PPAA	Power Procurement Agency Agreement
PPP	Power Purchase Price
PYA	Prior Year Adjustment
R&M	Repair and Maintenance
RAB	Regulatory Asset Base
RE	Rural Electrification
RFO	Residual Fuel Oil
RLNG	Re-gasified Liquefied Natural Gas
RoE	Return on Equity
RORB	Return on Rate Base
ROR	Rate of Return
SBP	State Bank of Pakistan
SOT	Schedule of Tariff
STG	Secondary Transmission Grid
SYT	Single Year Tariff
T&D	Transmission and Distribution
TFC	Term Finance Certificate
TOU	Time of Use
TOR	Term of Reference
TPM	Transfer Price Mechanism
USCF	The fixed charge part of the Use of System Charges in Rs./kW/Month
UOSC	Use of System Charges
WACC	Weighted average cost of capital
WAPDA	Water and Power Development Authority
XWDISCO	Ex-WAPDA Distribution Company

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**DETERMINATION OF THE AUTHORITY IN THE MATTER OF PETITION FILED BY  
GUJRANWALA ELECTRIC POWER COMPANY LIMITED (GEPSCO) FOR  
DETERMINATION OF SUPPLY TARIFF UNDER MYT REGIME FOR THE FY 2025-26 TO  
FY 2029-30**

CASE NO. NEPRA/ TRF-620/GEPSCO/MYT-Supply/2025

**PETITIONER**

Gujranwala Electric Power Company Limited (GEPSCO), 565-A, Model Town Gujranwala.

**INTERVENER**

Nil

**COMMENTATOR**

NIL

**REPRESENTATION**

GEPSCO was represented by its Chief Executive Officer along-with its Technical and Financial teams.

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## 1. Background

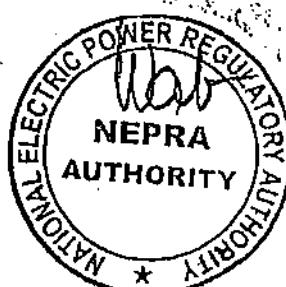
- 1.1. The Authority awarded a Multi-Year Tariff (MYT) to Gujranwala Electric Power Company (GEPCO), for a period of five years starting from 1<sup>st</sup> July 2021 till 30<sup>th</sup> June 2025. Upon expiry of its MYT on 30.06.2025, GEPCO (hereinafter also called as "the Petitioner"), being a Distribution Licensee as well as Supplier of Last Resort, filed separate tariff petitions for the determination of its Distribution and Supply of Electric Power Tariff under the MYT Regime for another period of five years i.e. from FY 2025-26 to FY 2029-30, in terms of Rule 3 (1) of Tariff Standards & Procedure Rules-1998 (hereinafter referred as "Rules").
- 1.2. GEPCO was required to file its new MYT petitions for the Distribution and Supply functions by January 2025, in line with the NEPRA Guidelines for determination of Consumer End Tariff (Methodology and Process) 2015, after incorporating therein, the approved number of investments and target of T&D losses. However, the petitions were filed with considerable delay i.e. on 29.04.2025, and were based on the requested numbers of Investment and T&D losses. GEPCO also requested for grant of interim tariff for the FY 2025-26, in order to allow for timely rebasing of consumer-end tariff effective July 1, 2025, as considerable time would be required to finalize the MYT petitions. The Authority acceded with the request of GEPCO and granted an "Interim tariff", vide decision dated 23.06.2025 for FY 2025-26, subject to adjustment and/ or refund, based on the final determination of the Authority in the matter of MYT petitions of the Petitioner.
- 1.3. The Petitioner, inter alia, requested the following margin for its supply of power function for the five years control period:

MYT Regime for Power Supply FY 2025-26   FY 2026-27   FY 2027-28   FY 2028-29   FY 2029-30						
Power Purchase Price	Rs. Mn	317,718	306,094	310,377	314,857	312,333
Energy Charges	Rs. Mn	109,976	101,833	92,918	93,561	90,580
Capacity Charges	Rs. Mn	193,158	189,533	201,419	204,290	203,603
Use of System Charges	Rs. Mn	14,464	14,606	15,903	16,855	17,985
Market Operator Fee	Rs. Mn	120	122	137	151	165
<b>Distribution Business Cost</b>	<b>Rs. Mn</b>	<b>38,194</b>	<b>41,766</b>	<b>45,637</b>	<b>49,011</b>	<b>51,879</b>
<b>Supply Business Cost</b>						
Pay & allowances	Rs. Mn	3,440	3,782	4,157	4,570	5,024
Employees benefits	Rs. Mn	709	780	857	942	1,038
Post-retirement Benefits	Rs. Mn	3,454	3,281	3,117	2,961	2,813
Traveling expenses	Rs. Mn	115	124	133	139	146
Repair and Maintenance	Rs. Mn	38	41	44	46	48
Vehicle expenses	Rs. Mn	57	61	65	69	72
Other expense	Rs. Mn	961	1,029	1,104	1,161	1,217
<b>Total O&amp;M Costs</b>	<b>Rs. Mn</b>	<b>8,774</b>	<b>9,998</b>	<b>9,477</b>	<b>9,888</b>	<b>10,358</b>
Depreciation	Rs. Mn	96	111	130	147	166
Return on Rate Base	Rs. Mn	175	216	256	286	302
<b>Gross Margin</b>	<b>Rs. Mn</b>	<b>9,045</b>	<b>9,425</b>	<b>9,863</b>	<b>10,321</b>	<b>10,826</b>
Less: Other Income	Rs. Mn	(3,793)	(4,172)	(4,589)	(5,048)	(5,553)
<b>Net Margin</b>	<b>Rs. Mn</b>	<b>5,252</b>	<b>5,253</b>	<b>5,274</b>	<b>5,273</b>	<b>5,278</b>
Prior Year Adjustment	Rs. Mn	24,375				
<b>Total Revenue Requirement</b>	<b>Rs. Mn</b>	<b>385,539</b>	<b>353,113</b>	<b>361,288</b>	<b>369,141</b>	<b>369,485</b>
Projected Sales	GWh	10,619	10,566	10,533	10,520	10,514
Requested Tariff	Rs./kWh	36.31	33.42	34.30	35.09	35.14

## 2. Proceedings

- 2.1. In terms of Rule 4 of the Rules, the petition was admitted by the Authority. Since the impact of any such costs 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 parties and to meet the ends of natural justice, decided to conduct a hearing in the matter.

J. Malik



- 2.2. Hearing in the matter was scheduled on November 04, 2025, for which notice of admission / hearing along-with the title and brief description of the petition was published in the newspapers on 25.10.2025, and also uploaded on NEPRA website; Individual notices were also issued to stakeholders/ interested parties.

**3. Issues of Hearing**

- 3.1. For the purpose of hearing, and based on the pleadings, following issues were framed to be considered during the hearing and for presenting written as well as oral evidence and arguments;
- i. Whether the projected Power Purchases Price (Energy & Cost) for the FY 2025-26 is justified?
  - ii. Whether the requested/projected O&M cost (including new hiring, if any) is justified and what are the basis for such projections?
  - iii. Whether there should be any bifurcation of O&M on the basis of controllable and uncontrollable costs / factors?
  - iv. Whether the requested/projected amount under heads of Other Income, Depreciation and RORB based on WACC of 12.39% is justified?
  - v. Whether the requested PYA is justified?
  - vi. What will be adjustment mechanism for future indexation of different components of revenue requirement during the MYT? Whether there should any efficiency factor (X Factor) and Z-Factor?
  - vii. Whether there should be any fixed charges on Units exported by net metering users to the extent of Transmission and Distribution charges or otherwise?
  - viii. Whether the recovery target and provision for bad debt as provided in petition is justified?
  - ix. Whether the existing fixed charges applicable to different consumer categories needs to be revised and requires any changes in mechanism for charging of such charges based on Actual MDI or Sanction Load or otherwise? Whether there should any Fixed Charges on consumer's categories who are currently not paying any fixed charges?
  - x. Whether the Schedule of tariff be designed on cost-of-service basis or otherwise?
  - xi. Whether there will be any claw back mechanism or not?
  - xii. Any other issue that may come up during or after the hearing?

**4. Filing Of Objections/ Comments**

- 4.1. Comments/replies and filing of Intervention Request (IR), if any, were desired from the interested person/ party within 7 days of the publication of notice of admission in terms of Rule 6, 7 & 8 of the Rules. In response no intervention request/ comments were received.
- 4.2. During the hearing, the Petitioner was represented by its Chief Executive Officer along-with its technical and financial teams.
- 4.3. On the basis of pleadings, evidence/record produced and arguments raised during the hearing, issue-wise findings are given as under;





5. Whether the projected Power Purchases Price (Energy & Cost) for the FY 2025-26 is justified?

5.1. The Petitioner, in its petition submitted that the quantitative data presented in the Distribution and Supply petitions is derived from GEPCO's Business Plan for FY 2025-26 to FY 2029-30 already submitted to NEPRA for approval, which includes detailed forecasts of demand and losses. The projections for demand, losses, and sources of units purchased as per submitted Business Plan are as follows:

Projected demand and Losses	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
MDI (MW)	2,424	2,444	2,490	2,545	2,598	2,680	2,755
Units Purchased (MkWh)	11,944	11,858	11,650	11,585	11,543	11,522	11,509
Units Sold (MkWh)	10,573	10,802	10,619	10,566	10,533	10,520	10,514
Units Lost (MkWh)	1,371	1,056	1,031	1,019	1,010	1,002	996
Units Lost %age	11.48%	8.90%	8.85%	8.80%	8.75%	8.70%	8.65%

Source wise Purchases	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
From CPPA-G	11,813	11,601	11,143	10,803	10,457	10,104	9,725
From Head Marala	19	19	19	19	19	19	19
From Chianwall	12	14	14	14	14	14	14
From Net Metering	100	224	474	749	1,052	1,385	1,751
Total	11,944	11,858	11,650	11,585	11,543	11,522	11,509

PPP Projections	2023-24 (Actual)	2024-25 (Determined)	2025-26	2026-27	2027-28	2028-29	2029-30
Energy Charges	127,380	114,769	109,976	101,833	92,918	93,561	90,580
Capacity Charges	166,007	193,135	193,158	189,533	201,419	204,290	203,603
Use of System Charges	16,120	16,114	14,464	14,606	15,903	16,855	17,985
Market Operation Fee	101	116	120	122	137	151	165
Total	309,608	324,134	317,718	306,095	310,976	314,857	312,333

- 5.2. The Petitioner submitted that these projections provide a reasonable estimate of the expected PPP over the petition period, derived from the Medium Demand Scenario outlined in CPPA-G's "Power Purchase Price and End Consumer Outlook Report for FY 2026-2034". However, it is important to highlight that these projections are indicative and subject to NEPRA's annual determination of PPP, which will incorporate actual market conditions, including fluctuations in exchange rates, fuel prices, and demand patterns. Once determined, the PPP will remain a pass-through cost, adjusted through NEPRA's established monthly and quarterly mechanisms to ensure transparency, accuracy, and fairness for all stakeholders.
- 5.3. GEPCO submitted that for FY 2019-20 & MYT 2021-25, it has allocated entire Power Purchase Price to its Power Supply Business and the Authority also in Tariff Determination FY 2019-20 & MYT 2021-25 has adopted the same principle, therefore Power Purchase Price for the years 2025-26 to 2029-30 has been allocated to GEPCO Power Supply Business.
- 5.4. The Petitioner during the hearing submitted that the projected energy sales have been arrived at on the basis of PMS based Demand Forecast and Energy Purchase has been calculated accordingly after allowance of T & D Losses. The T & D losses are based on latest independent 3<sup>rd</sup> party study.
- 5.5. The Authority noted that PPP is the major component of consumer-end tariff, which accounts for around 90% of total consumer-end tariff. The Authority has determined the power purchases (GWhs) along-with its cost for each of the DISCOs through a separate



9/10/2024



decision, therefore, for the purpose of instant decision, the power purchases (GWhs) of the Petitioner as per the separate PPP decision, have been taken into account.

6. Whether the requested MYT for a control period of five years is justified?
  - 6.1. The Petitioner submitted that the petition has been filed in accordance with the Rule 3(1) and Rule 4(7) of the Rules and NEPRA Performance Standards (Distribution) Rules 2005. As per Rule 17 (3) (1) of the Rules, tariff should allow the licensee the recovery of any and all costs prudently incurred to meet the demonstrated needs of their consumers. The Petitioner also submitted that it has filed Investment Plan and assessment of T&D losses for a period of five years, which are under deliberation with the Authority.
  - 6.2. The Authority observed the Petitioner has requested for a five years tariff control period i.e. FY 2025-26 to FY 2029-30, in line with its five years investment plan. The Authority also noted that approval of the investment plan and assessment of T&D losses of the Petitioner for five year period is at advanced stage, therefore, to align the investment requirements of the Petitioner, with its tariff determination, which is a tool to incur and recover the allowed amount of investments, the Authority has decided to approve the tariff request of the Petitioner under the MYT tariff regime for a control period of five year i.e. from FY 2025-26 till FY 2029-30. The terms & conditions, given by the Authority, in the Distribution and SoLR license, as modified from time to time, of the Petitioner would be applicable during the MYT control period.
7. Whether the requested/projected O&M cost (including new hiring, if any) is justified and what are the basis for such projections?
8. Whether there should be any bifurcation of O&M on the basis of controllable and uncontrollable factors / costs?
  - 8.1. The Petitioner submitted that Distribution Margin is a pivotal aspect of the tariff structure, ensuring that GEPCO can recover the necessary costs for providing reliable and efficient power distribution services. The Petitioner submitted that the NEPRA Consumer-end-Tariff (Methodology & Process) Guidelines 2015 emphasize the need to identify a base year for determining a company's revenue requirement. This base year, which can be a historical financial year with actual or audited results, or a mix of actual and projected results, serves as the foundation for tariff projections. For GEPCO's MYT period (FY 2025-26 to FY 2029-30), it is proposed that the Audited Financial Statements of FY 2023-24 be used as the base year, providing a solid basis for projecting the company's revenue requirements.
  - 8.2. At its core, the Distribution Margin consists of the following components:
    - ✓ Operating & Maintenance (O & M) Expense;
    - ✓ Depreciation;
    - ✓ Return on Rate Base;
    - ✓ and Other Income.
  - 8.3. GEPCO requested approval from the Authority for the O&M costs for DoP and SoP for FY 2025-26, as detailed below, which are part of the MYT period (FY 2025-26 to FY 2029-30). A summary of Petitioners submission is as under;





✓ Operating & Maintenance (O&M) Expenses

- ✓ The Petitioner submitted that the head of Salaries, Wages, and Other Benefits, comprising employees' pay, allowances, and post-retirement benefits, constitutes over 86% of GEPCO's total O&M costs, excluding depreciation. Employees of XWDISCOs, including GEPCO, are hired on Government pay scales, making them subject to salary increases announced in the Federal Budget. As such, Salaries and Wages costs are considered uncontrollable for DISCOs operating under public sector rules.
- ✓ GEPCO stated that it has adopted Audited Accounts for FY 2023-24 as the base year to determine Salaries and Wages costs, given the current MYT control period will end on 30.06.2025. GEPCO proposes that gains or losses from the current MYT period should not carry forward into the new MYT to ensure transparency and avoid distortions.
- ✓ The actual cost under Salaries and Wages (excluding post-retirement benefits) for FY 2023-24 is Rs. 13,735 million. To project costs for FY 2025-26, the following adjustments have been incorporated 20% / 25% salary increase as announced in the Federal Budget for FY 2024-25 and 5% annual increment.
- ✓ The resulting projected cost for Salaries and Wages is Rs. 16,598 million for FY 2025-26, covering both Distribution and Power Supply functions. Of this, Rs. 12,448 million and Rs. 4,150 million pertains to the Distribution and Supply function, calculated using the allocation methodology previously endorsed by NEPRA. GEPCO requests NEPRA to approve Rs. 16,598 million as the reference cost for the MYT control period FY 2025-26 to FY 2029-30.
- ✓ For indexation of the cost, considering the fact that employees of GEPCO were hired on Government pay scales, and any salary increase announced by the Federal Government in the Federal Budget is applicable on the employees of the GEPCO, therefore, being uncontrollable cost, the Authority is requested to actualize the Pay & Allowances cost of GEPCO, based on its audited accounts for the relevant year for its existing employees. The impact of any such adjustment would be allowed as part of PYA in the next indexation / adjustment request or tariff determination as the case may be. Further, Costs for new recruitment will be allowed after the recruitment is completed, based on actual costs incurred and quantified benefits.

Additional Recruitment

- ✓ The Petitioner submitted that the projected Salaries and Wages cost for existing employees, which already accounts for any new hiring completed up to 30.06.2024, it has not claimed upfront costs for additional recruitment in this petition. GEPCO further submitted that it recognizes NEPRA's decisions in recent MYT determinations for other DISCOs (LESCO, FISCO, IESCO), where the Authority decided that costs for new recruitment will only be allowed after the recruitment is completed, based on actual costs incurred and quantified benefits. In alignment with these decisions, GEPCO will follow the same approach to maintain consistency and regulatory compliance. GEPCO is committed to submitting the requisite details of any hiring, including financial impact and associated benefits, in subsequent adjustment or indexation requests for NEPRA's consideration.
- ✓ While GEPCO is not claiming the upfront costs for additional recruitment in this petition, it is important to highlight that GEPCO has already submitted its Integrated Human



Resource Plan to NEPRA as part of the GEPCO Business Plan for FY 2025-26 to FY 2029-30.

**b) Baseline**

- ✓ GEPCO submitted that it faces a significant challenge due to 6,868 vacant positions, impacting its operational efficiency. The current workforce status is as follows:

Description	Officers		Officials		Total		Grand Total
	Tech	Non-Tech	Tech	Non-Tech	Tech	Non-Tech	
Sanctioned	358	123	13,186	4,544	13,544	4,667	18,211
Working	285	82	9181	1795	9,466	1,877	11,343
	73	41	4,005	2,749	4,078	2,790	6,868
Vacant		114		6,754			6,868
			23.70%	38.09%			37.71%

**b) Impact of Automation and Functional Improvement on HR Requirements**

- ✓ In order to prepare future workforce requirements, impact of automation and functional improvements in coming years has been considered. The existing workforce yardsticks prepared against number of consumers to be managed by an office is being reviewed in view of functional improvements like ERP, AMI, SCADA and GIS etc. However, in order to operate these new projects additional workforce is also required which has also been considered.

**c) Additional HR Requirements**

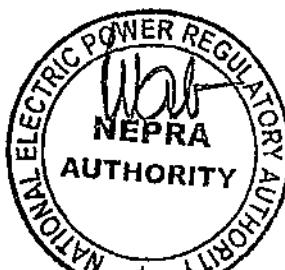
- ✓ Based on the current workforce position, anticipated consumer growth and future expansion plans in GEPCO, following expansion in sectioned posts is proposed to ensure smooth, reliable and efficient operations across departments of GEPCO.

Sr#	Offices	No. of offices	Manpower requirement
<b>Fundamental Requirements:</b>			
1	Division	5	120
2	Sub Divisions	39	4,017
3	Revenue office	5	165
4	Construction Sub Divisions	2	98
Total (Fundamental) - A			4,400
<b>Optional Requirements:</b>			
1	Circle	1	45
2	Computer Centre	1	51
3	Construction Division	1	18
4	M&T Division	1	26
Total (Optional) - B			140
Grand Total (A + B)			4,540

**d) Updated Position of HR workforce requirement**

- ✓ Based on the current workforce position and proposed expansion in workforce of GEPCO, updated workforce position will be as tabulated below;

Description	Officers		Officials		Total		Grand Total
	Tech	Non-Tech	Tech	Non-Tech	Tech	Non-Tech	
Sanctioned	410	129	16,651	5,561	17,061	5,690	22,751





- ✓ Above sanctioned strength is based on current fundamentals, however, with gradual expansion in network outreach, customer base and advent of CTBCM related interventions, GEPSCO may need to have more manpower.
- ✓ GEPSCO shall take all possible measures to recruit suitable incumbents against vacant posts arising due to the mismatch between sanctioned strength and actual working manpower. However, such recruitment will be subject to approvals of BOD and submitting the requisite details of any hiring, including financial impact and associated benefits, in subsequent adjustment or indexation requests for NEPRA's consideration.

**Post-Retirement Benefits:**

- ✓ Regarding post-retirement benefits the Petitioner submitted that the head of Post-Retirement Benefits includes employees' pension, free electricity, and medical facilities. As employees of XWDISCOs, including GEPSCO, are hired on Government pay scales, any pension increase announced by the Federal Government in the Budget is also applicable to retired employees/pensioners of DISCOs.
- ✓ The Petitioner stated that it has complied with the Authority's previous directive to create a separate fund for post-retirement benefits. This was done to ensure that the company records its liabilities prudently, with the funds being transferred to a separate legal entity. This approach ensures that the fund generates its own profits, remains separate from GEPSCO's routine operations, and reduces the Distribution Margin, which can lower the consumer-end tariff in the long run.

Years	2020-21	2021-22	2022-23	2023-24	Total	Rs. Mn
Amount Allowed by the Authority	10,513	11,937	13,131	9,227	44,808	
<b>Compliance by GEPSCO up to 30-06-2024:</b>						
Less: Post Retirement Benefits Paid	3,643	4,238	5,244	7,693	20,818	
Less: Contribution Made to Pension Fund	-	-	6,704	19,121	25,825	
Sub Total	3,643	4,238	11,948	25,210	46,643	
Excess amount Paid up to 30.06.2024					1,835	

- ✓ Based on above the petitioner submitted that it has complied with the earlier directions of the Authority and deposited excess amount in the fund over & above its actual payments.
- ✓ The post-retirement benefits cost provision for FY 2025-26 is based on the actuarial valuation report and the audited financial statements for FY 2023-24, which amount to Rs. 13,815 million and Rs. 10,361 million allocated to Distribution Business and Rs. 3,454 million allocated to Power Supply Business. Future indexations will follow the mechanism defined by the Authority in Para 47 of GEPSCO's MYT Determination, which allows post-retirement benefits to be based on the actuarial valuation report or the latest available audited financial statements.

**Repair & Maintenance (R&M) Costs:**

- ✓ Regarding R&M cost the Petitioner submitted that the adherence to service standards and improvement in customer services are primarily dependent on the continuous repair and maintenance (R&M) of the distribution network. For the fiscal year 2025-26, GEPSCO has based its projections on the costs reported in its Audited Financial Statements for FY 2023-

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24, which serve as the base year for estimating operational and maintenance (O&M) expenses and other miscellaneous costs for the upcoming MYT control period.

- ✓ With the current MYT ending on June 30, 2025, GEPSCO considers it prudent to rely on the actual costs of FY 2023-24 amounting to Rs. 1,657 million when projecting R&M expenses for FY 2025-26. This approach ensures that any gains or losses from the prior MYT control period do not carry over into the new control period. After accounting for inflationary adjustments reflected in the Audited Financial Statements for FY 2023-24, GEPSCO has proposed an allocation of Rs. 1,905 million for R&M expenses for FY 2025-26, encompassing both its Distribution and Supply Functions while excluding meter-related costs. To determine this figure, GEPSCO applied the National Consumer Price Index (NCPI) as of December 2024 i.e. 7.22%.
- ✓ GEPSCO has requested that all expenses, including R&M, be adjusted by NCPI-X throughout the tariff control period. This request aligns with the current tariff methodology and ensures consistency in expense adjustments.
- ✓ GEPSCO has used its adopted criteria to allocate costs across functions. Based on this methodology, the R&M cost for the Power Supply Business for FY 2025-26 is calculated to be Rs. 38 million. The projected R&M cost of Rs. 1,905 million for FY 2025-26 will serve as the reference cost for future R&M expenses during the remaining MYT control period. Adjustments to these costs, including the application of CPI-X, will follow the prescribed mechanism outlined in the tariff petition. This approach aligns with the current tariff methodology and ensures consistency in expense adjustments. Additionally, GEPSCO has complied with the Authority's directive to capitalize meter-related costs, ensuring they are excluded from this projection.

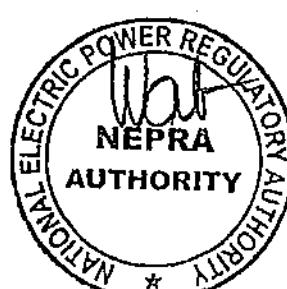
#### Other O&M Expenses

- ✓ These expenses cover essential operational functions such as traveling costs, transportation, bill collection, building rent, NEPRA fees, insurance, rates and taxes, and other operating and maintenance activities. The PEPSCO Management Fee is excluded from Other O&M Expenses as per the Authority's directives. Audited Other O&M expenses for FY 2023-24 amounts to Rs. 2,566 million including travelling expenses, vehicle running expenses & other expenses. NCPI of 7.22% of Dec-24 has been applied for projection. It is further added that Rs. 50 million is also added in FY 2024-25 for CSR Activities under the directions of the Authority. Accordingly, the requested amount of Rs. 3,003 million for Other O&M Expenses in FY 2025-26 will serve as the reference cost for future adjustments throughout the MYT period. Of this, Rs. 1,870 million and Rs. 1,133 million are allocated for the Distribution and Supply of Power functions for Other O&M Costs.
- ✓ In line with the NEPRA Consumer-end-Tariff Guidelines (2015), the O&M portion of the Distribution Margin will be indexed to the Consumer Price Index (CPI), with adjustments for efficiency gains (X factor). It is requested that X factor to be set at zero for the first three years (FY 2026-28), to allow an adequate transition period to the private sector participant after the privatization of the Company, and subsequently at 10% and 20% of CPI during years four and five respectively. The Petitioner also requested following adjustment/indexation mechanism for O&M cost;

$$O \& M \text{ (Rev)} = O \& M \text{ (Ref)} X [1 + (\Delta CPI-X)]$$

Where

✓ Mark 1





**O &M (Rev)** = Revised O&M Expense for the Current Year  
**O &M (Ref)** = Reference O&M Expense for the Reference Year  
**ΔCPI** = Change in Consumer Price Index published by Pakistan Bureau of Statistics  
**X** = Efficiency factor

- ✓ The Petitioner during hearing revised its requested and submitted the following projections and justifications regarding O&M cost;

Sr. No.	Description	Basis for Projections			
		Audited Figure FY 2024-25, 10% Ad-hoc Relief, 5% Annual Increases and 30% DRA, No new hike cost claimed upfront and shall be absorbed on actual basis.	Accrued Amount based on latest Audited Financial Statements of FY 2024-25	Audited Figure FY 2024-25, Indexed on December 2024 CPI @ 7.32% as per NEPRA Mechanism.	
1	Pay & Allowances				
2	Post-Retirement Benefits				
3	Other O&M Costs				

Operation & Maintenance	PROJECTED O & M COSTS FY 2025-26				
	Total	Distribution Business		Power Supply Business	
		100%	%	Cost	%
1. Salaries, Wages & Other Benefits					
Salaries & Wages	13,265	75	99.18	25	3,316
Employee Benefits	3,819	75	2887	25	962
Sub Total Salaries, Wages & Other Benefits	17,084	75	12,855	25	4,278
2. Retirement Benefits	11,812	75	8,859	25	2,933
3. Other O & M Costs					
I. Traveling	517	75	387	25	129
II. Repair & Maintenance	2,853	98	2,756	2	57
III. Transportation	1,061	93	1,003	5	53
IV. Other Expenses					
Bill Collection	416			100	416
Power, Light & Water	172	90	155	10	17
Postage & Telephone	70	30	21	70	49
Office Supplies & Others	360	30	114	70	268
Advertising	23	100	22	-	-
Professional Fees /NEPRA/PTC	343	30	102	70	239
Fee					
Misc. Expenses	17	90	15	10	2
Sub Total Other O & M	5,849	79	4,621	25	1,228
Grand Total (1+2+3)	34,774	76	26,315	24	8,459

- 8.4. The Authority observed that as per section 31(3) of NEPRA Act, following general guidelines shall be applicable to the Authority in the determination, modification or revision of rates, charges and terms and conditions for provision of electric power services;

- ✓ "(a) tariffs should allow licensees the recovery of any and all cost prudently incurred to meet the demonstrated needs of their customers Tariff."
- ✓ "(b) tariffs should generally be calculated by including a depreciation charge and a rate of return on the capital investment of each licensee commensurate to that earned by other investments of comparable risk;
- ✓ "(c) tariffs should allow licensees a rate of return which promotes continued reasonable investment in equipment and facilities for improved and efficient service;
- ✓ "(d) tariffs should include a mechanism to allow licensees a benefit from and penalties for failure to achieve the efficiencies in the cost of providing the service and the quality of service;"

- 8.5. Further, as per NEPRA determination of Consumer-end-Tariff (Methodology & Process) Guidelines, 2015, the Authority shall choose a base year for the purpose of determining the affected company's revenue requirement under multi-year tariff regime or annual



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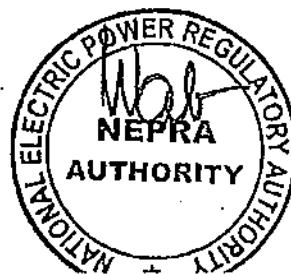
tariff regime. "Base Year" has been defined as the year on which the annual or multiyear tariff projection is being made, which may be a historical financial year, for which the actual results/audited accounts are available. It may be a combination of actual results and projected results for the same financial year or it may be a pure projection of a future financial year.

- 8.6. Here it is also pertinent to mention that as per the approved tariff methodology the Power Purchase Price is the only uncontrollable cost which is allowed a pass-through item. The other remaining costs are to be treated as controllable costs.
- 8.7. Considering the fact that the MYT has been filed for a period of five years i.e. from FY 2025-26 to FY 2029-30, and the cost for the FY 2025-26 i.e. test year, is being assessed as reference cost during the MYT control period, the Authority has decided to consider the costs as per the Audited/ provisional accounts of the Petitioner for the FY 2024-25 as base year.
- 8.8. The Authority considers that for projections or assessment of OPEX costs, the two commonly used approaches are the Ex-Ante approach and the Ex-Post approach. In a regime where the allowed OPEX is determined Ex-Ante, there will inevitably be deviations between the allowed and actual OPEX in the form of efficiency savings or losses. Thus, resulting in two broad options, one that the utility bears all savings or losses, i.e. no action is taken by the Regulator. The 2<sup>nd</sup> that the utility shares the savings or losses with consumers. The former provides the utility with a profit incentive to cut costs, but at the same time places the utility at greater financial risk in the face of losses. The latter somewhat dilutes efficiency incentives, but also limits the losses/gains for the utility and its customers. However, the widely used approach is that no adjustments to allowed Revenues or OPEX allowances are made in the next period to compensate for a deviation from allowed OPEX in the current period except for certain allowed adjustments in terms of CPI etc.
- 8.9. In view thereof, the head wise assessment of the Petitioner under each of the requested costs is as discussed hereunder.

**Salaries, Wages and Other benefits (excluding post-retirement benefits)**

- 8.10. The Authority noted that head of Salaries, Wages and Other Benefits include employees Pay & Allowances and Post-retirement benefits and accounts for over 80% of the Petitioner's total O&M costs, excluding therefrom depreciation and RoRB. The Authority understands that employees of XWDISCOs are hired on Government pay scales; thus, any salary increase announced by the Federal Government in Fiscal Budget is also applicable on the employees of XWDISCOs. Therefore, salaries & wages cost of employees can be considered as un-controllable cost for XWDISCOs as long as they remain in public sector.
- 8.11. Considering the fact that the cost for the FY 2025-26 is being assessed, which would be used as reference during the MYT control period, the Authority has taken into consideration the costs as per the accounts of the Petitioner for the FY 2024-25, and information shared by the Petitioner subsequently in this regard. The Authority is of the view that since the previous MYT of the Petitioner has ended on 30.06.2025, therefore, it would be appropriate to account for the actual cost of the base year while projecting Salaries, Wages and Other benefits for the FY 2025-26, as any gain/loss of the previous MYT control period may not be carried forward in the new MYT.

9 May



- 8.12. The actual total cost as provided by the Petitioner for the FY 2024-25, under Salaries & Wages (excluding postretirement benefits, discussed separately) is Rs.15,399 million. The said amount has been considered as base cost and increases as approved by the Federal Government on Salaries and Wages in the Federal Budget for the FY 2025-26 i.e. ad-hoc relief allowance of 10% and DR allowance of 30%, along-with impact of annual increment i.e. 5% have been incorporated thereon.
- 8.13. Accordingly, the cost of Salaries & Wages (excluding postretirement benefits, discussed separately), for both the Distribution and Supply Functions works out as Rs.17,114 million. The same is hereby allowed to the Petitioner for the FY 2025-26 for both its distribution and Supply Functions as reference cost, to be adjusted in the remaining control period as per the adjustment mechanism prescribed in the instant determination.
- 8.14. Since the Audited accounts of the Petitioner, do not provide bifurcation of the Salaries, Wages and other benefits costs in terms of Distribution and Supply Functions, therefore, for the purpose of allocation of total cost of Salaries, Wages and other benefits in terms of Distribution and Supply Functions, the criteria as adopted by the Petitioner has been used. Thus, the cost of Salaries, Wages and other benefits (excluding postretirement benefits) for the FY 2025-26 pertaining to the Supply function works out as Rs.4,279 million.
- 8.15. The assessed Salaries & Wages costs for the FY 2025-26 i.e. Rs.4,279 million, shall be considered as the reference cost for future adjustment/ indexation of Salaries & Wages expenses, in the remaining tariff control period as per the mechanism given in the instant determination.
- 8.16. Considering the fact that employees of XWDISCOs are hired on Government pay scales, and any salary increase announced by the Federal Government in the Federal Budget is applicable on the employees of the Petitioner, therefore, being un-controllable cost, the Authority has decided to actualize the Pay & Allowances cost of the Petitioner, based on its audited accounts for the relevant year for its existing employees. The impact of any such adjustment would be allowed as part of PYA in the next indexation/ adjustment request or tariff determination as the case may be.

**Additional Recruitment and Outsourcing**

- 8.17. Regarding additional recruitment, the Authority observed that Salaries & Wages cost for the FY 2024-25, as per the accounts of the Petitioner, has been considered as base cost, therefore, impact of any new recruitment made till FY 2024-25 has already been accounted for. For future recruitment, the Petitioner itself requested to allow cost on account of new hiring once the new recruitment is completed. The Authority also understands that any allowing cost upfront either on account of new hiring, would be unfair with the consumers, without considering/ analyzing its benefits. The Authority understands that it will be in a better position to adjudicate on the issue, once the Petitioner provides details of actual cost incurred in this regard and substantiates the same with the quantified benefits accrued. Although, the Authority has decided to actualize the Pay & Allowances cost of the Petitioner, based on its audited accounts for the relevant year, however, that would only be to the extent of existing employees. Accordingly, the Petitioner is directed to provide detail of new recruitment during each year or new hiring if any, along-with its financial impact and benefits accrued, for consideration of the Authority, in its subsequent adjustment/ indexation request.





**Post-Retirement Benefits**

- 8.18. The Authority noted that the head of post-retirement benefit includes employees' pension, free electricity and medical facility. The Authority also understands that employees of XWDSICSOs are hired on Government pay scales, thus, any pension increase announced by the Federal Government in the Budget is also applicable on the retired employees of XWDISCOs.
- 8.19. It is also pertinent to mention that the Authority in its previous determinations, considering the overall liquidity position in the power sector and in order to ensure that XWDISCOs fulfil their legal obligations with respect to the post-retirement benefits, directed the XWDISCOs to create a separate fund in this regard. The rationale behind creation of separate fund was to ensure that DISCOs record their liability prudently as the funds would be transferred into a separate legal entity, which would also generate its own profits, as it would be kept separate from the Company's routine operations, thus reducing the Distribution Margin and eventually consumer-end tariff in longer run.
- 8.20. In compliance with the Authority's direction, the Petitioner has created a separate Fund for its post-retirement benefits and provided following details of its pension fund balance and Payments made thereof;

Year	NEPRA allowed amount	Amount Paid to Pensioners	Amount to be transferred to Fund	Accumulated Fund Balance	Profit earned	Accumulated Fund Balance net of Profit
2015-16	1,522	1,522	-	-	-	-
2016-17	1,953	1,953	-	-	-	-
2017-18	2,600	2,600	-	-	-	-
2018-19	3,077	3,077	-	-	-	-
2019-20	3,198	3,198	-	-	-	-
2020-21	10,513	3,643	6,870	-	-	-
2021-22	11,976	4,238	7,699	1	-	1
2022-23	13,131	5,244	7,887	6,704	213	6,490
2023-24	9,227	7,693	1,534	25,825	1,278	25,824
<b>FY 2024-25</b>	<b>13,178</b>	<b>7,674</b>	<b>5,504</b>	<b>4,789</b>	<b>36,689</b>	

- 8.21. From the above table, it is clear that the Petitioner has complied with the earlier directions of the Authority and deposited excess amount in the Fund, after making actual payments. In view thereof, the Authority has also decided to allow the Petitioner, provision for Post-retirement benefits, for the FY 2025-26 as well.
- 8.22. Here it is pertinent to mention that since audited accounts of the Petitioner for the FY 2025-26, are not yet available, therefore, information provided by the Petitioner for the FY 2024-25, has been relied upon and provision reported as for FY 2024-25, has been considered for FY 2025-26 i.e. Rs. 11,976 million, for its both Distribution and Supply of Power Functions.
- 8.23. The Petitioner is directed to deposit the amount of provision, over and above their actual post-retirement benefit payments, in the Fund and in case of failure to deposit the excess amount in the Fund, the same shall be adjusted/deducted in the subsequent tariff determination and from thereon, only actual amounts paid and amount transferred into the fund would be allowed. Here it is also pertinent to mention that Petitioner has deposited Rs. 7,196 million over and above the allowed amount, therefore, the Authority has decided to allow the amount of Rs. 7,196 million already deposited by the Petitioner in the Fund as part of PYA.



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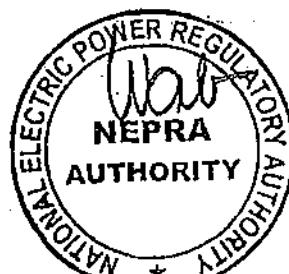
- 8.24. Since the Audited accounts of the Petitioner, do not provide bifurcation of post-retirement benefits in terms of Distribution and Supply Functions, therefore, for the purpose of allocation of total cost of post-retirement benefits in terms of Distribution and Supply Functions, the criteria as adopted by the Petitioner has been used. Accordingly, the cost of post-retirement benefits for the FY 2025-26 pertaining to the Supply Function works out as Rs.2,994 million, to be adjusted in the MYT Control period as per the adjustment mechanism provided in the instant determination.

**Repair & Maintenance Costs**

- 8.25. The Authority has carefully examined the Petitioner's request and also analyzed the past trend of R&M expenses of the Petitioner. The Authority understands that the adherence to service standards and improvement of customer services is only possible through continuous repair and maintenance of distribution network, however, at the same time the Petitioner has also requested for huge CAPEX for making additional investment in Fixed Assets, resulting in new, expensive and efficient equipment, leading to overall reduction in R&M cost and increasing the total Assets base.
- 8.26. The Authority is also of the view that since the previous MYT of the Petitioner has ended on 30.06.2025, therefore, it would be appropriate to account for the actual cost of the base year while projecting O&M expenses and other Misc. expenses for the FY 2025-26, as any gain/loss of the previous MYT control period may not be carried forward in the new MYT.
- 8.27. In view of the foregoing and keeping in view the current approved tariff methodology, the Authority has decided to allow an amount of Rs.2,770 million under R&M head, for the FY 2025-26, after incorporating the inflationary impact as also requested by the Petitioner, on the R&M cost as per the audited accounts of the Petitioner for the FY 2024-25 for both the Distribution and Supply functions. The same is hereby allowed to the Petitioner for the FY 2025-26 for both its distribution and Supply Functions.
- 8.28. Since the Audited accounts of the Petitioner, do not provide bifurcation of the R&M costs in terms of Distribution and Supply Functions, therefore, for the purpose of allocation of total cost of R&M costs in terms of Distribution and Supply Functions, the criteria as adopted by the Petitioner has been used. Accordingly, the cost of R&M for the FY 2025-26 pertaining to the Supply function works out as Rs.55 million.
- 8.29. The assessed repair and maintenance cost for the FY 2025-26 i.e. Rs.55 million, shall be considered as the reference cost for working out future repair and maintenance expenses, in the remaining control period as per the adjustment mechanism prescribed in the instant determination.
- 8.30. The DISCOs are also directed to provide a certification from its Auditors that Repair and Maintenance expenditure does not include any CAPEX nature item. In case any CAPEX nature cost has been booked as R&M expenses, the same may be disclosed separately in the financial statements. The Authority may consider to revise the R&M assessment of the Petitioner, based on such disclosure/certification.

**Other O&M Expenses**

- 8.31. The Authority noted that as per the approved tariff methodology, all other operating expenses are part of O&M costs which are to be assessed through NCPI-X formulae for the tariff control period. Here it is pertinent to mention that the Petitioner itself has requested





- that other O&M expenses, may be linked with CPI during the entire tariff control period. The Petitioner has also requested to allow Rs.50 million on account of CSR activities.
- 8.32. For assessment of Other O&M costs for the FY 2025-26, the Authority, keeping in view the cost as per the accounts of the Petitioner for the FY 2024-25, and incorporating therein inflationary impact as also requested by the Petitioner, has decided to allow an amount of Rs.2,950 million to GEPCO for the FY 2025-26. The allowed amount of Rs. 2,950 million is being allowed for both the Distribution and Supply of Power function for the FY 2025-26.
- 8.33. However, while working out the other O&M expense the cost on account of PEPCO management fee has been excluded, as also excluded by the Petitioner itself. Similarly, no costs on account of CSR activities is allowed as part of O&M expenses, and the Petitioner is direct to carry such activities from its allowed returns.
- 8.34. Since the Audited accounts of the Petitioner, do not provide bifurcation of the Other O&M costs in terms of Distribution and Supply Functions, therefore, for the purpose of allocation of total cost of other O&M costs in terms of Distribution and Supply Functions, the criteria as adopted by the Petitioner has been used. Accordingly, the cost of other O&M expenses for the FY 2025-26 pertaining to the supply function works out as Rs. 319 million.
- 8.35. By considering the figures as per financial statement, the Authority has incorporated all the costs including bill collection, building rent, NEPRA fee, insurance cost, rent, rates & taxes, and travelling, transportation etc.
- 8.36. The aforementioned assessment for the FY 2025-26 shall be considered as reference for working out future Other Operating Expenses for remaining tariff control period to be adjusted based on change in "NCPI-General", in line with the mechanism provided in the instant determination. However, the vehicle running expenses would be adjusted with "NCPI-Transport", in line with the mechanism provided in the instant determination.
- 8.37. In case the Petitioner's actual O&M cost (excluding pay & Allowances & post-retirement benefits) for the relevant year as per its audited accounts is lower than the amount allowed for that year, any saving in this regard, shall be shared between consumers and the Petitioner in the ratio of 50:50. For future indexation of O&M cost during the MYT control period, the lower of allowed O&M cost or actual O&M cost of the previous year, after excluding therefrom the capex nature O&M and amount of O&M capitalized, if any, and pay & allowances & post-retirement benefits, shall be considered as reference.
- 8.38. If the actual O&M cost for the previous year, as referred above is not available at the time of projecting next year's O&M cost, the allowed cost for the previous year shall be considered as reference to be indexed as per the provided mechanism. Once the audited account for the previous year are available, the already projected O&M cost shall be reworked based on lower of allowed cost or actual O&M cost of the previous year. Any adjustment in this regard, if required, shall be made part of PYA. In addition, the allowed O&M cost shall also be adjusted based on mechanism provided in the instant determination. The Petitioner is also directed to disclose its O&M costs in terms of distribution and supply functions separately in its audited accounts.



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**PPMC Fee**

- 8.39. Here it is pertinent to mention that some DISCOs during the hearing requested to allow cost on account of Management Fee of Power Planning and Monitoring Company (the "PPMC"). DISCOs in support of their request referred to the SRO 1358-I (2025) dated 29.07.2025, issued by the Ministry of Energy (PD), pursuant to the Federal Cabinet decision dated 27.10.2021, the National Electricity Policy, 2021, the National Electricity Plan (2023-2027), whereby it has been designated as a "designated entity" for the implementation of the priority areas of the NE Plan, and strategic roadmap as per the NE policy. The SRO further mandates the company to charge a fee from DISCOs, for the services rendered, as may be approved by the BoD of PPMC from time to time. The BoD of PPMC may, on annual basis, approve the annual budget and allocation of fees to DISCOs.
- 8.40. It has also been submitted that clause 34(f) of the IMF Country Report clearly acknowledges PPMC's role in supporting policy, regulatory and tariff affairs, sector reforms, privatization, CD management and integrated power and energy planning.
- 8.41. The Authority noted that the National Electricity Plan allows the designated entity to charge a regulatory fee, which shall be allowed by the Regulator. The Authority also noted that previously the Authority discontinued the PPMC fee in the absence of appropriate structure in place. The Authority also takes cognizance of the SRO dated 29.07.2025, issued by the Ministry of Energy (PD), pursuant to the Cabinet decision, as well as other justifications submitted by the DISCOs regarding the declaration of PPMC as a "designated entity" and its role in supporting policy, regulatory, and tariff matters, sector reforms, privatization, CD management, and integrated power and energy planning.
- 8.42. However, the Authority is of the view that it would be in a better position to adjudicate the matter, once the DISCOs provide details of the actual costs incurred and the functions/ services performed as designated entity for DISCOs and others, duly substantiated with documentary evidence and justifications.
- 8.43. Accordingly, the Authority has decided to pend upfront allowing such cost on account of PPMC at this stage and may consider the same as part of the PYA, subject to the Petitioner furnishing the above details, with proper justification and supporting documentary evidence, along with fulfillment of the process prescribed in the SRO No. 1358(I)/2025.
- 8.44. On the submissions of the Petitioner, to allow certain costs as uncontrollable, the Authority noted that as per the approved tariff methodology, Power Purchase Price is the only uncontrollable cost which is allowed a pass-through item. However, considering the fact that XWDISCOs employees are hired on Government pay scales, thus, any salary and pension increase, announced by the Federal Government in Fiscal Budget is also applicable on such employees/ pensioners of XWDISCOs. Therefore, salaries & wages cost and pension expenses to the extent of such employees can be considered as un-controllable cost for XWDISCOs as long as they remain in public sector.
9. Whether the requested/projected amount under heads of Other Income, Depreciations and RORB based on WACC of 12.39% is justified?

Depreciation



- 9.1. Regarding Depreciation the Petitioner submitted that it is an important component in recovering the costs associated with capital investments. The projected depreciation has been calculated by applying the applicable depreciation rates to the Gross Fixed Assets in Operation, including the proposed investments for the next five years as per Business Plan. The Depreciation and RoRB will be considered revised in accordance with the approval of the Authority for the submitted Business Plan for FY 2025-26 to 2029-30. It is further added that in case of Private Sector Participation in GEPSCO, a reopener will be allowed by the Authority for revision of investment / tariff within a year following the private sector participation as the instant investment plan / tariff has been prepared without the involvement of the would-be investors/ managers. The Investment Plan already submitted to the Authority for approval is as follows:

		2025-26	2026-27	2027-28	2028-29	2029-30	
Infrastructure Renewal/ Expansion	STO	12,097	7,045	12,044	6,916	5,369	43,511
	ELR	4,974	5,499	2,928	3,692	3,799	20,898
	DOP	355	348	238	347	587	1,875
	SCADA	1,360	1,496	1,720	247	211	5,093
	APMS	1,817	3,773	3,999	-	-	9,588
Digitalization and Automation	AMR/AMI	1,171	-	-	-	-	3,191
	ERP	50	30	30	10	30	170
	GIS Enterprise Mapping	70	60	-	-	-	130
	IDS and Allied Equipment	50	50	50	50	50	250
	Software, Studies, Licences	50	50	50	50	50	250
Operational Support	Transport	800	850	600	800	500	3,550
	Civil Works	650	561	530	460	450	2,654
Safety and Control	ABC Cable	-	135	127	139	153	535
	Safety Hazard Removal & Earthing	1,230	1,662	1,828	2,018	2,212	8,944
GEPSCO Finance	26,672	21,541	24,144	14,783	13,473	100,612	
Others (Consumer Connection/Deposit Works)	7,725	8,497	9,347	10,281	11,310	47,160	
<b>Grand Total</b>	<b>34,397</b>	<b>30,038</b>	<b>33,591</b>	<b>25,054</b>	<b>24,783</b>	<b>147,771</b>	

- 9.2. Accordingly, the requested depreciation by the Petitioner for the next five years are as follows:

Description	2025-26	2026-27	2027-28	2028-29	2029-30	Rs. Mn
<b>Total Depreciation</b>	<b>4,792</b>	<b>5,563</b>	<b>6,490</b>	<b>7,355</b>	<b>8,290</b>	
<b>Allocated to Distribution Business</b>	<b>4,696</b>	<b>5,452</b>	<b>6,361</b>	<b>7,208</b>	<b>8,124</b>	
<b>Allocated to Power Supply Business</b>	<b>96</b>	<b>111</b>	<b>130</b>	<b>147</b>	<b>166</b>	

- 9.3. As per the Petitioner, the depreciation expense has been allocated, with 2% assigned to the Power Supply Business and 98% to the Distribution Business. The depreciation expense for future years will be assessed in accordance with the following formula/mechanism:

DEP (Rev) = DEP (Ref) X GFAIO (Rev) / GFAIO (Ref)

DEP (Rev) = Revised Depreciation Expense for the Current Year

DEP(Ref) = Reference Depreciation Expense for the Reference Year

GFAIO (Rev) = Revised Gross Fixed Assets in Operation for the Current Year

GFAIO (Ref) = Reference Gross Fixed Assets in Operation for Reference Year

- 9.4. The Petitioner also submitted that for FY 2025-26, requested depreciation may be considered as reference cost for future adjustment / indexation. In addition, the allowed depreciation for previous year will be trued up based on actual investment (maximum cap to the extent of allowed investment) carried out during that year.





- 9.5. Regarding allowed investment for FY 2025-26 and FY 2026-27, since the Distribution Investment Plan (DIP) of the Petitioner is under regulatory proceedings, the Authority has decided to allow the following provisional Investments under head of own financing, which shall be subject to adjustments pursuant to the final decision of the Authority in matter of DIP of the Petitioner.

Rs. Mln	
Provisional Capex	GEPSCO
FY 2025-26	10,366
FY 2026-27	13,752

- 9.6. The Authority decided that the above approved Investments are provisionally allowed for purpose of tariff rebasing and does not include the cost for AMI, APMS, scanning meters, Data Centers, etc., the investment in this smart metering area can only be started once DIP is approved, wherein the detailed project wise scope and cost approvals shall be decided in the final decision of DIP of GEPSCO.

- 9.7. Regarding the T&D Losses Target, the Authority has decided to provisionally approve the following loss target, considering the third-party study conducted by M/S PPI and M/S Power Aim and the previous target allowed to GEPSCO;

Provisional T&D Loss	GEPSCO
FY 2025-26	8.85%
FY 2026-27	8.85%

- 9.8. The Petitioner is also directed to carry out a fresh study of its T&D loss study through an independent third-party, as per the approved ToRs, which shall be communicated to the Petitioner separately by NEPRA. The independent third-party T&D loss study must be submitted by the Petitioner within nine (09) months of issuance of this decision.

- 9.9. The T&D loss study submitted by an independent third-party shall be considered by the Authority and may, if deemed appropriate, be used for the review of T&D loss targets for the applicable period at the time of the next tariff rebasing for DISCOs (January 2027) or during the mid-term review (December 2027) of DIP, as the case may be.

- 9.10. Not used

- 9.11. Not used

- 9.12. After taking into account the new investments as mentioned above, the Gross Fixed Assets in Operation for the FY 2025-26 have been re-worked. Accordingly, the depreciation



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charge for the FY 2025-26 has been assessed as Rs.4,724 million calculated on actual depreciation rates for each category of Assets as per the Company policy, which will be considered as reference cost for working out future depreciation expenses for the remaining tariff control period, to be adjusted as per the mechanism provided in the instant determination.

- 9.13. After carefully examining the relevant details and information pertaining to the deferred credit and amortization as per the accounts for the FY 2024-25, the Authority has projected amortization of deferred credit to the tune of Rs.2,103 million for the FY 2025-26. Accordingly, the consumers would bear net depreciation of Rs.2,621 million.
- 9.14. The actual depreciation reflected in the Audited accounts of the Petitioner for the FY 2024-25, do not provide bifurcation of depreciation cost in terms of Distribution and Supply Functions, therefore, for the purpose of allocation of depreciation cost in terms of Distribution and Supply Functions, the criteria as adopted by the Petitioner has been used. Accordingly, the depreciation cost for the FY 2025-26 pertaining to the Supply function works out as Rs.94 million.

Return on Regulatory Asset Base (RoRB)

- 9.15. Regarding RORB the Petitioner made the following submissions;

- ✓ The petitioner submitted that as per the NEPRA Determination of Consumer-end-Tariff (Methodology & Process) Guidelines, 2015, the Authority considers a minimum equity ratio of 20% in case of negative equity, while any equity exceeding 30% is treated as debt. The equity and debt ratios are standardized at 30% and 70%, respectively.

The WACC is calculated using the following formula:

$$WACC = [ K_e \times (E/V) ] + [ K_d \times (D/V) ]$$

Where:

- $K_e$  = Return on Equity (RoE)
- $K_d$  = Cost of Debt

- ✓ Regarding Return on equity the Petitioner submitted that NEPRA employs the Capital Asset Pricing Model (CAPM) for determining the Return on Equity (RoE) component of the Weighted Average Cost of Capital (WACC). The Plain Vanilla WACC approach is used, treating the tax shield as zero, with any taxes paid considered as pass-through costs. CAPM is widely recognized and applied by regulatory agencies worldwide to estimate the cost of capital for regulated utilities. Cost of Equity is calculated as follows:

$$K_e = RF + (RM-RF) \times \beta$$

where

RF : Risk Free rate

RM : Market Return

B : Beta





- ✓ The expected return on any investment comprises the risk-free rate and a risk premium to compensate for the associated risk. The risk premium is the difference between the market rate of return and the risk-free rate, with the return on a stock market index typically serving as the benchmark for the market rate of return. NEPRA, in its determinations for other XWDISCOs such as LESCO, FESCO, and IESCO, analyzed the KSE-100 Index returns along with data from neighboring and international markets to derive an appropriate market rate of return. For assessing beta, NEPRA reviewed prior studies, the range of betas used by international regulators, and its own benchmarks. Based on this evaluation, NEPRA applied a beta value of 1.10 and determined the Return on Equity (RoE) component as 14.47% for LESCO, FESCO, and IESCO.
- ✓ In alignment with these determinations and considering the same parameters, GEPSCO respectfully requests that the RoE component may also be set at 14.47%.

**Cost of Debt:**

- ✓ The cost of debt reflects the interest rate at which GEPSCO can borrow funds from the debt market or commercial banks. NEPRA estimates the cost of debt using the formula:

Three months KIBOR + 2.00% spread

- ✓ The Petitioner submitted that it has calculated its cost of debt at 12.39% (by taking KIBOR @ 10% July 2025 & 9% January 26), aligning with its financial cost projections. The KIBOR used for the FY 2027 onward is 9% resulting WACC into 12.04%.

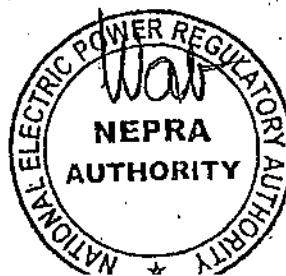
**Return on Rate Base:**

	Description	2025-26 Actual	2025-26 Estimated Outlooked	2026-27 Projected	2026-27 Projected	2027-28 Projected	2027-28 Projected
A	Depreciated Assets in Operation - Operating Unit	92,234	105,318	115,113	132,831	151,616	180,231
B	Interest Accrued on Assets	14,502	4,683	22,312	20,315	25,765	23,377
C	Depreciated Assets in Operation - Closing Unit	106,336	111,183	112,531	114,546	110,251	104,513
Sum: Accumulated Depreciation		212,072	218,144	239,945	247,672	271,232	228,561
D	Net Fixed Assets in Operation	72,647	73,018	80,395	103,247	92,453	141,274
E	Accrued Capital Work in Progress - Operating Unit	18,776	23,183	28,837	44,181	47,742	44,049
F	Accrued Capital Work in Progress - Closing Unit	22,421	36,637	25,212	50,297	177,763	131,412
G	Interest on Capital Work in Progress	34,157	38,947	44,571	63,113	62,916	72,737
H	Other Capital Work in Progress	10,321	69,481	81,163	97,933	121,359	121,302
I	Regulatory Assets in Operation	10,631	68,583	70,631	83,562	103,516	111,327
J	Average Regulatory Assets in Operation						127,251
Rate of Return		21.14%	17.01%	12.39%	12.34%	12.54%	12.04%
Return on Rate Base		19,583	10,037	8,750	10,783	12,808	14,318
						15,077	

- ✓ Regarding RORB, the Petitioner during hearing revised its submissions and requested a WACC of 13.79% instead of earlier requested WACC of 12.39% due to change in KIBOR. The Petitioner requested that revised WACC is based on the average of KIBOR of 01 July 2025 & 1 January 2025 (works out to be 13.79%) and accordingly RORB is calculated on original DIIP. Earlier, WACC of 12.39% was based on provisional KIBOR of 01 July 2025. The RORB has been allocated, with 2% assigned to the Power Supply Business and 98% to the Distribution Business.

	Rs. Mn				
Description	2025-26	2026-27	2027-28	2028-29	2029-30
Total Return on Rate Base	8,750	10,783	12,808	14,318	15,077
Allocated to Distribution	8,575	10,567	12,551	14,031	14,775
Allocated to Power Supply	175	216	256	286	302

- ✓ As per the NEPRA Determination of Consumer-end-Tariff (Methodology & Process) Guidelines, 2015, the reference RoRB would be adjusted annually based on the amount of



RAB worked out for the respective year after considering the amount of investment allowed for that year as per the following mechanism;

$$\text{RORB(Rev)} = \text{RORB(Ref)} \times \text{RAB(Rev)} / \text{RAB(Ref)}$$

Where

$\text{RORB(Rev)}$  = Revised Return on Rate Base for the Current Year

$\text{RORB(Ref)}$  = Reference Return on Rate Base for the Reference Year

$\text{RAB(Rev)}$  = Revised Rate Base for the Current Year

$\text{RAB(Ref)}$  = Reference Rate Base for the Reference Year

- ✓ FY 2025-26, requested RORB may be considered as reference cost for future adjustment / indexation. In addition, the allowed RORB for previous year will be trued up based on actual investment (maximum cap to the extent of allowed investment) carried out during that year.
  - ✓ Additionally, GEPCO emphasized that interest payments are obligatory cash flow liabilities, unlike discretionary dividend payments. Considering that any default in such payments could adversely affect GEPCO's financial position, it is requested the Authority to cover the risk of floating KIBOR. Accordingly, proposed that fluctuations in the reference KIBOR be adjusted biannually.
- 9.16. The Authority observed that as per Section 31(3) of the amended NEPRA Act, the following general guidelines shall be applicable to the Authority in the determination, modification or revision of rates, charges and terms and conditions for provision of electric power services;
- (b) *tariffs should generally be calculated by including a depreciation charge and a rate of return on the capital investment of each licensee commensurate to that earned by other investments of comparable risk;*
- (c) *tariffs should allow licensees a rate of return which promotes continued reasonable investment in equipment and facilities for improved and efficient service;*
- 9.17. In line with the aforementioned guidelines, the Authority allows DISCOs, a Weighted Average Cost of Capital (WACC) to account for the return on equity and cost of debt. Similarly, for recovery of principal portion of debt, the Authority includes a depreciation charge in the revenue requirement of DISCOs.
- 9.18. Consequent to the aforementioned discussion, the WACC works out as per formula given below;
- Cost of Equity:
- $$K_e = R_f + (R_m - R_f) \times \beta$$
- Where;
- $R_f$  is the risk free Rate
  - $R_m$  is the Market Return
  - $\beta$  is Beta
- The cost of debt:
- $$K_d = \text{KIBOR} + \text{Spread}$$
- 9.19. Accordingly, the WACC as per the given formula works out as under;





$$WACC = (K_e \times (E/V) + K_d \times (D/V))$$

Where E/V and D/V are equity and debt ratios respectively taken as 30% and 70%;

- 9.20. The Authority uses the Capital Asset Pricing Model (CAPM) for calculation of Return of Equity (RoE) component of the WACC, being the most widely accepted model, which is applied by regulatory agencies all over the world to estimate the cost of capital for regulated utilities. Further, as per the Tariff methodology, in case of negative equity the Authority would consider a minimum of 20% equity and any equity in excess of 30% would be considered as debt.
- 9.21. The expected return on any investment is the sum of the risk-free rate and an extra return to compensate for the risk. This extra return or 'risk premium' is the difference between market rate of return and risk-free rate. Generally, the return on stock market index is taken as a measure of market rate of return. To have an appropriate measure of the market rate of return, analyzed KSE-100 Index return, over a period of 10 years i.e. FY 2016 to FY 2025. Further, return of different neighboring markets and other international markets were also analyzed.
- 9.22. For risk free rate, the yield of 05 years PIB is considered. The weighted average yield of accepted bids for 5 years PIB as of 17.07.2025 remained at 11.4916%. Regarding assessment of beta, the Authority has considered the earlier studies in the matter, range of betas used by international Regulators, and accordingly decided to use the beta of 1.10, while assessing the RoE component.
- 9.23. By taking into account the aforementioned factors, the RoE of the Petitioner works out differently; however, keeping the request of the Petitioner and, the Authority's earlier decisions in the matter of other XWDISCOs and K-Electric, the Authority has decided to allow RoE component of 14.47%, PKR based.
- 9.24. As regard the cost of debt, it is the interest rate on which a company would get borrowing from the debt market / commercial banks i.e. a rate at which banks lend to their customers. In order to have a fair evaluation of the cost of debt, the Authority has taken cost of debt as 3-month's KIBOR + 1.50% spread, as maximum cap. Consequently, the cost of debt has been worked out as 12.64% i.e. 3 Months KIBOR of 11.14% as of July 02, 2025 plus a spread of 1.50% (150 basis points).
- 9.25. In view thereof, the WACC for the FY 2025-26 has been worked out as under;

Cost of Equity;

$K_e = 14.47\%$

The cost of debt is;

$K_d = 12.64\%$

$$WACC = (K_e \times (E/V) + K_d \times (D/V))$$

Where E/V and D/V are equity and debt ratios respectively taken as 30% and 70%;

$$WACC = ((14.47\% \times 30\%) + (12.64\% \times 70\%)) = 13.19\%$$

- 9.26. Based on above and using WACC of 13.19% on RAB by including allowed investment for the FY 2025-26, the RoRB of the Petitioner for the FY 2025-26 has been worked out as under;

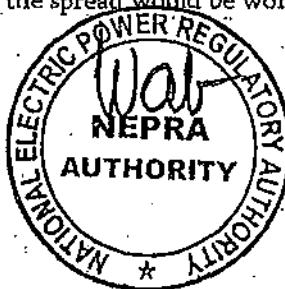
*J. Maiti*





GEPCO		
Description	FY 2024-25	FY 2025-26
Fixed Assets Q/B	106,988	137,611
Addition	30,625	11,282
Fixed Assets C/B	137,613	148,903
Depreciation	38,438	43,160
Net Fixed Assets	99,174	105,743
Capital WIP C/B	5,520	15,799
Fixed Assets Inc. WIP	104,694	121,542
Less: Deferred Credits	41,390	47,203
Total	63,304	74,340
 RAB	 68,822	
 WACC	 13.18%	
 RoRB	 9.077	

- 9.27. The total amount of RoRB as worked out above has been allocated in terms of Distribution and Supply Functions, as per the criteria adopted by the Petitioner itself. Accordingly, the RORB for the FY 2025-26 pertaining to the Supply function works out as Rs.182 million.
- 9.28. The reference RoRB would be adjusted every Year based on the amount of RAB worked out for the respective year after taking into account the amount of investment allowed for that year as per the mechanism given in the instant determination.
- 9.29. In addition, the allowed RAB for previous year will be trued up downward, keeping in view the amount of investment allowed for the respective year, other than consumer financed investments. In case, the Petitioner ends up making higher investments than the allowed (other than consumer financed investments), the same would be the Petitioner's own commercial decision and would not be considered while truing up the RAB, unless due to any regulatory decisions/interventions/approved plans for which the Petitioner obtains prior approval of the Authority. In such case the Authority may also revise the efficiency targets in terms of T&D losses etc.
- 9.30. Here it is also pertinent to mention that the amount of receipts against deposit works has been adjusted while working out the cost of working capital, therefore, no adjustment on this account has been made from the RAB. In view thereof, any interest earned on such deposits shall not be adjusted as part of other income. The Petitioner therefore shall ensure a separate disclosure of such income in its audited accounts. In case of failure to disclose such income separately, the entire interest income shall be adjusted as part of other income.
- 9.31. The Authority also understands that interest payment is an obligatory cash flow liability unlike discretionary dividend payment and considering the fact that any default may hamper the financial position of the Petitioner, hence the Authority has decided to cover the risk of floating KIBOR. Accordingly, fluctuation in the reference KIBOR would be adjusted biannually as also requested by the Petitioner itself. In addition, the Authority has also decided to adjust savings, if any, resulting from cheaper financing by the Petitioner. If the Petitioner manages to negotiate a loan below 1.50% spread, the entire savings would be passed onto the consumers annually, through PYA. In case of more than one loan, the saving with respect to the spread would be worked out based on individual



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loans. In case, the spread is greater than the allowed cap of 1.50%, additional cost would be borne by the Petitioner itself. Similarly, if the Petitioner's total actual cost of debt remains lower than the cost allowed for the year, the entire savings would also be passed onto the consumers annually, through PYA.

**Other Income**

- 9.32. Other Income for GEPSCO includes revenues from sources such as mark-up on bank deposits, amortization of deferred credit, sale of scrap etc. Based on the audited figure for FY 2023-24 of Rs. 4,478 million, a 10% annual increase is projected in the tariff petition, reflecting historical trends and future projections. Any deviation in actual Other Income will be trued up annually. The proposed Other Income figures are as follows:

Description	Rs. Mn				
	2025-26	2026-27	2027-28	2028-29	2029-30
Total Other Income	5,418	5,960	6,556	7,212	7,933
Allocated to Distribution	5,418	5,960	6,556	7,212	7,933
Allocated to Power Supply	3,793	4,172	4,589	5,048	5,553

- 9.33. However, during hearing the Petitioner revised its request regarding other income and requested total other income of Rs. 4,967 million for both functions. As per the Petitioner, 70% of Other Income is allocated to the Power Supply Business, and 30% to the Distribution Business. As per the NEPRA Consumer-end-Tariff Guidelines (2015), Other Income will be indexed annually using the following prescribed formula:

$$OI(Rev) = OI(I) - OI(0)$$

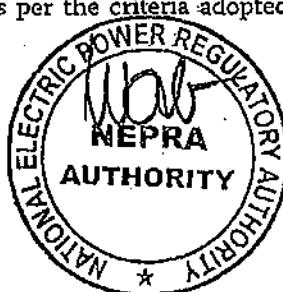
Where:

OI(Rev) = Revised Other Income for the Current Year

OI(I) = Actual Other Income as per latest Financial Statements.

OI(0) = Actual / Assessed Other Income used in the previous year.

- 9.34. Other income is considered to be a negative cost which may include, but not be limited to, amortization of deferred credit, meter and rental income, late-payment charges, profit on bank deposits, sale of scrap, income from non-utility operations, commission on PTV fees and miscellaneous income.
- 9.35. Since the other income would be trued up every year as per the mechanism provided in the instant determination, therefore, for the FY 2025-26, the Authority has decided to allow an amount of Rs. 4,967 million based on audited accounts of the Petitioner for FY 2024-25, including the amount of amortization of deferred credit but exclusive of the amount of late payment charges (LPS), for both of its Distribution and Supply functions.
- 9.36. The Authority in consistency with its earlier decision, on the issue, has not included the amount of LPS while assessing the other income for the FY 2025-26. Here it is pertinent to mention that the LPS recovered from the consumers on utility bills shall be offset against the late payment invoices raised by CPPA (G) against respective XWDISCO only, and in the event of non-submission of evidence of payment to CPPA (G), the entire amount of Late Payment charge recovered from consumers shall be made part of other income and deducted from revenue requirement in the subsequent year.
- 9.37. The total amount of Other Income as worked out above has been allocated in terms of Distribution and Supply Functions, as per the criteria adopted by the Petitioner itself.





Accordingly, Other Income for the FY 2025-26 pertaining to the Supply function works out as Rs.3,477 million.

- 9.38. The reference Other Income determined for the FY 2025-26 would be adjusted annually as per the adjustment mechanism prescribed in the instant determination.

**10. Whether the requested PYA is justified?**

- 10.1. The submissions of the Petitioner regarding PYA in its petitions are as under;

- ✓ Regarding Prior Year Adjustments, GEPSCO submitted that this head accounts for the impact of variation in the following, based on the Authority's allowed benchmarks of T & D losses and recoveries;
  - Under / Over Recovery of allowed Quarterly Adjustments
  - Under / Over Recovery of the assessed DM
  - Under / Over Recovery of previously assessed PYA
  - Sales Mix Variance
  - Adjustment of excess LPS over supplemental charges
  - MYT True ups (Ref: Para 5.54 of GEPSCO Indexation FY 23-24 NEPRA Determination)
- ✓ In line with the aforementioned directives from the Authority, the Prior Years Adjustment (PYA) in the instant tariff petition has been worked out as per NEPRA defined mechanism to address under / over-recovered costs as outlined below:

Sr. No.	Description	Rs. in Million
23.1	Other Income FY 2023-24	-987
23.2	Minimum Tax Paid in FY 2023-24	5,160
23.3	Quarterly Adjustments (5 QTRS)	1,587
23.4	Distribution Margin FY 2023-24	3,579
23.5	PYA FY 2023-24	2,313
23.6	Prime Minister Assistance Package	119
23.7	Salaries FY 2024-25	374
23.8	Post-Retirement Benefits	6,599
23.9	RORB FY 23/24 Adjustment	686
23.10	RORB FY 22/23 Adjustment	590
23.11	Sales Mix Variance FY 2022-23	4,224
23.12	Sales Mix Variance FY 2023-24	131
Total Under Recovery		24,375

- ✓ All the Prior Years Adjustment is allocated to Power Supply Business.

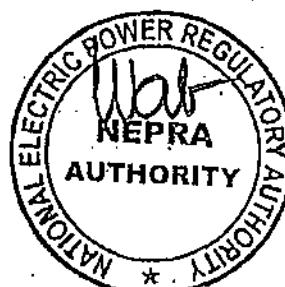
**Over Recovery of Other Income Against the Determined FY 2023-24:**

- ✓ Since the other income would be trued up every year, the over recovery is tabulated below:

Description	Rs. in Million
Allowed Amount of Other Income in Tariff	3,491
Other Income As per Audited Financial Statements	4,478
Under/(Over) Recovery	-987

**Non-Recovery of Minimum Tax Paid During FY 2023-24:**

- ✓ GEPSCO submitted that it has complied with the directions of the Authority regarding provision of information related to Minimum Tax and accordingly the Authority has allowed the Minimum Tax Payment while determining the Indexation Request for



9/2024



FY 2024-25. Now, accordingly the Minimum Tax paid during the year 2023-24 has been claimed as follows:

Description	Rs. In Million
Minimum Tax 2023-24 Paid	5,160

Less Recovery of Allowed Quarterly Adjustments FY 2022-23 & 2023-24:

- ✓ It is important to highlight that variation between the PPP billed to DISCOs by CPPA-G and the amount recovered by the DISCOs, based on the Authority's allowed benchmarks of T&D losses and recoveries, are being accounted for separately through Quarterly / Bi-Annual Adjustment mechanism, therefore, in the instant PYA, impact of any over under recovery of the allowed quarterly adjustments has been accounted for.
- ✓ Regarding under / over recovery of the quarterly adjustments, it is pertinent to mention that Quarterly adjustments are allowed to XWDISCOs based on projected sales for the period in which recovery is allowed. Therefore, any under/over recovery based on actual sales for the period (based on Authority's allowed benchmarks of T&D losses) viz a viz projected sales on which recovery was assumed, is true up and any such under/Over recovery is made part of PYA. Accordingly, the under / over recovery against the allowed quarterly adjustments for the period FY 2022-23 (upto 4th Quarter) & FY 2023-24 has been worked as detailed below, after incorporating therein the impact of sales to Life line consumers. The same is hereby included as part of PYA.

Description	Rs. In Million
4th Quarter 2022-23	1,964
1st Quarter 2023-24	168
2nd Quarter 2023-24	263
3rd Quarter 2023-24	-589
4th Quarter 2023-24	-219
<b>Under Recovery</b>	<b>1,587</b>

Less-Recovery of Distribution Margin FY 2023-24:

- ✓ Regarding under / over recovery of allowed distribution margin; it is submitted that XWDISCOs tariff is revenue cap tariff, and any under / over recovery on account of allowed Distribution Margin is adjusted as part of PYA. Accordingly, GE PCO is requesting the following under recovery of allowed DM for the period FY 2023-24.

Description	Rs. In Million
Allowed Amount FY 2023-24	35,881
Recovered Amount	32,302
<b>Under Recovery</b>	<b>3,579</b>

Less Recovery of Allowed PYA FY 2023-24:

- ✓ The Authority has ascertained a positive Prior Year Adjustment (PYA) for the fiscal year 2023-24 amounting to Rs. 23,185 million, recovery over a span of 12 months. The calculation of under-recovery on this component is delineated as follows:



Description	Rs. In Million
Allowed Amount	23,185
Recovered from Consumers	20,872
Under / (Over) Recovery	2,313

**Non-Recovery of PM Assistance Package:**

- ✓ GEPSCO initially requested an amount of Rs. 990 million under the Prime Minister's Assistance Package (Back Period w.e.f. 09-02-2015, the original date of the PM Package) for the families of deceased employees in its Tariff Petition for FY 2019-20. However, the Authority expressed concerns regarding the lack of specific details about the period covered and individual payments made to employees. As a result, the Authority deferred consideration of this cost until the required information was submitted.
- ✓ In compliance with the Authority's direction, GEPSCO subsequently furnished comprehensive employee-wise details in its Indexation Request for FY 2023-24, including HRIS Code, Employee Name, Father's Name, Designation, BPS, Date of Death, and Financial Benefits Paid. Based on the submitted details, the Authority approved the requested amount.
- ✓ Now, in accordance with the Authority's directives, GEPSCO is requesting the approval of a financial impact of Rs. 119 million for payments made during FY 2023-24 under the PM Assistance Package for back period as stated above. The details provided include Employee Name, Father's Name, HRMIS Code, Office Name, BPS, Designation, Cheque Number & Date, Amount Paid, and Bank & Branch Name.

**Less Determination of Salaries, Wages & Other Benefits FY 2024-25 Due To 15% Ad-Hoc Allowance Instead Of 20% & 25% Respectively:**

- ✓ The Authority has determined the number of Salaries, Wages & Other Benefits for the FY 2024-25 based on Ad-hoc allowance of 15% on provisional basis and stated that since the increase being allowed for the FY 2024-25, are on provisional basis, therefore, the same shall be adjusted subsequently, based on actual Pay & Allowances as announced by the Govt. in the Federal Budget for the FY 2024-25.
- ✓ Accordingly, as in the Federal Budget for FY 2024-25, the Ad-hoc allowance of 20% & 25% has been announced, the revised number of Salaries, Wages & Other Benefits works out as follows:

Description	NEPRA	GEPSCO	Difference
Base Figure (Determined for FY 2023-24)	13,702	13,702	-
5% Annual Increment Impact	249	249	-
15% Ad-hoc & 20% / 25% Ad-hoc	747	1,121	374
Indexed Figure for FY 2024-25	14,698	15,072	374

**Erroneous Calculation of Provision for Post-Retirement Benefits by Ignoring the Compliance Made By GEPSCO:**



9 March



- ✓ The Authority has acknowledged that the Petitioner has shown a reasonable compliance to the direction of the Authority regarding deposit of amounts into Pension Fund while analyzing the data up to March 2024.
- ✓ However, while calculating the PYA, the Authority erroneously deducted an amount of Rs. 4,764 Million relating to Provision for Post-Retirement Benefits (the Authority has taken Benefits paid for the FY 2020-21 to 2022-23 and Transferred to Account has been taken upto February 2024 only) as follows:

Year	FY 2021 to 2023
Allowed Amount	35,581
Benefits Paid	13,126
Transferred to Account	17,692
Shortfall in Deposit deducted	4,764

- ✓ In contrast, GEPSCO has fully complied with the Authority's directions up to June 30, 2024, as detailed below:

Years	2020-21	2021-22	2022-23	2023-24	Total
Amount Allowed by the Authority	10,513	11,937	13,131	9,227	44,808
Compliance by GEPSCO up to 30-06-2024:					
Less: Post Retirement Benefits Paid	3,643	4,238	5,244	7,693	20,818
Less: Contribution Made to Pension Fund			6,704	19,121	25,825
Sub Total	3,643	4,238	11,948	25,210	46,643
Excess amount Paid up to 30.06.2024					1,835

- ✓ As demonstrated, GEPSCO has not only met but exceeded the Authority's directions by Rs. 1,835 million up to June 30, 2024. Therefore, it is respectfully requested that the Authority:
  - a) Reinstate the deducted amount of Rs. 4,764 million.
  - b) Allow the excess compliance of Rs. 1,835 million, making a total adjustment of Rs. 6,599 million (Rs. 4,764 + Rs. 1,835).

Less Recovery of RORB FY 2023-24 - KIBOR Adjustment:

- ✓ The Authority has calculated the Return on Rate Base (RORB) for FY 2023-24 as Rs. 9,703 million, using a rate of 21.14%. However, after incorporating the adjusted KIBOR rate and truing up the actual investments, the recalculated RORB amounts to Rs. 10,389 million, resulting in an under-recovery of Rs. 686 million, as summarized below:

Description	Rs. In Million
Allowed RORB FY 2023-24	9,703
Actual RORB FY 2023-24	10,389
Under Recovery	686



✓ Mark



Authority's Determination of PYA relating to RORB is on the lower side caused by the erroneous deduction made from revised-RAB:

- ✓ The Authority, while determining the Return on Rate Base (RORB) for FY 2022-23, erroneously deducted Rs. 6,916 million, representing Plan Assets (Investment in Employees Retirement Benefits Fund), from the total amount of the Revised-RAB.
- ✓ This error resulted in a reduction of RORB by Rs. 590 million. The detailed calculations are shown below with complete workings:

Calculation of RORB		Calculation of Capital WIP C/R		Calculation of Excess Investment	
Description	NEPRA Calculation 2022-23	GEPSCO Calculation 2022-23	Description	NEPRA Calculation 2022-23	GEPSCO Calculation 2022-23
Fixed Assets C/R	83,756	83,756	Capital WIP (OB)	8,452	8,452
Addition	8,627	8,627	Additional Capital WIP	9,683	9,683
Less Capitalization	91,383	91,383	Less Capitalization	3,542	3,542
Disposition	30,978	30,978	Capital WIP (CB)	14,373	14,373
Net Fixed Assets	61,405	61,405	Less Excess Investment (IV-2)	11,953	11,953
Capital WIP C/R (W-1)	2,610	9,556	Capital WIP (CB)	2,640	9,556
Final Assets for WIP	64,016	70,962			
Less Deferred Credit	29,001	29,001			
Total	35,012	41,961			
Revised - RAB	35,585	39,044			
WACC	17.07%	17.07%			
RORB on Assets	6,076	6,666			

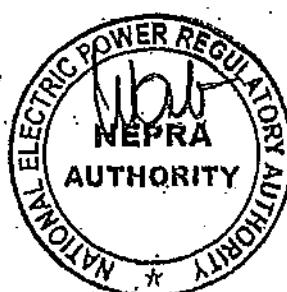
- ✓ In light of the above, the Authority is respectfully requested to revise the RORB-PYA for FY 2022-23 and allow the additional amount of Rs. 590 million.

Description	Already Allowed in Decision	To Be Allowed	Difference
RORB-PYA FY 2022-23	6,076	6,666	590

#### Sales Mix Variance FY 2022-23:

- ✓ GEPSCO has claimed an amount of Rs. 4,224 million as Sales Mix Variance for the FY 2022-23 as per mechanism prescribed by the Authority and has submitted compliance to NEPRA directions given in the Decision of Annual Indexation / Adjustment FY 2023-24 vide Annex-D at page No. 121 of its request for Annual Indexation / Adjustment FY 2024-25.
- ✓ However, the Authority have stated that no such reconciliation was submitted by the Petitioner and accordingly disallowed the sales mix variance of FY 2022-23 till the time, GEPSCO complies with the direction of the Authority and submits the reconciled data till FY 2022-23. (Ref: Para 5.13 of Indexation FY 24-25 Decision)
- ✓ GEPSCO against the decision of the Authority filed a Leave for Motion for Review request containing the requisite details again. Now, the requisite reconciled data along with all details is again attached herewith as Annex-2.3.11, the Authority is requested to allow the amount of Sales Mix of Rs. 4,224 FY 2022-23 & Rs. 131 Million FY 2023-24 accordingly.

10.2. The Petitioner during hearing submitted following summary of PYA;



7/2026



Sr. No.	Description	Rs. In Millions	Justification/Basis/NEPRA Mechanism
<b>A. PYA CLAIMED IN PETITION &amp; ALLOWED IN INTERIM</b>			
1	Other Income FY 2023-24	-987	Determined Amount Vs Audited
2	Minimum Tax Paid in FY 2023-24	5,160	Pass Through Item
3	Quarterly Adjustment (4 <sup>th</sup> QTR FY 2023-24)	-377	Determined Amount Vs Actual Recovery
4	Distribution Margin FY 2023-24	3,579	Determined Amount Vs Actual Recovery
5	PYA FY 2023-24	2,313	Determined Amount Vs Actual Recovery
6	Sales Mix Variance FY 2022-23	4,224	Determined Mix Vs Actual Mix
7	Sales Mix Variance FY 2023-24	131	Determined Mix Vs Actual Mix
	<b>Sub Total (A)</b>	<b>16,043</b>	
<b>B. PYA CLAIMED IN PETITION &amp; TO BE CONSIDERED /</b>			
8	Prime Minister Assistance Package	119	Payment made under PM Package.
9	Salaries FY 2024-25	374	20% / 25% Adher Vs 15% by NEPRA
10	Post-Retirement Benefits (5,764.18 BRS)	6,509	Erroneous Deduction by NEPRA from Post Retirement Benefits
11	Quarterly Adjustments (4 <sup>th</sup> QTR FY 2022-23)	1,864	Determined Amount Vs Actual Recovery
12	RORB FY 23-24 Adjustment	686	Bi-annual RIBDR Adjustment
13	RORB FY 22-23 Adjustment	500	Erroneous Deduction by NEPRA from Revised RAB
	<b>Sub Total (B)</b>	<b>10,332</b>	
	<b>Sub Total (A+B) REQUESTED IN PETITION</b>	<b>26,375</b>	

Sr. No.	Description	Rs. In Millions	Justification/Basis/NEPRA Mechanism
<b>C. PYA CLAIMED AFTER 30.06.2025 AUDITED ACCOUNTS:</b>			
14	Quarterly Adjustments (QTR 2 <sup>nd</sup> & 3 <sup>rd</sup> FY 2024-25)	1,567	Determined Amount Vs Actual Recovery
15	Other Income FY 2024-25	(594)	Determined Amount Vs Audited
16	Minimum Tax Paid in FY 2024-25	7,917	Pass-Through Item
17	Distribution Margin FY 2024-25	(1,439)	Determined Amount Vs Actual Recovery
18	PYA FY 2024-25	(89)	Determined Amount Vs Actual Recovery
	<b>Sub Total (C)</b>	<b>17,332</b>	
	<b>Sub Total (A+B+C)</b>	<b>43,707</b>	

- 10.3. The Authority has analyzed the PYA workings provided by the Petitioner and also obtained additional information in terms of category wise sales data from PITC. Based on the available information, Authority's decisions in terms of FCAs and Quarterly adjustments for the relevant period, mechanism provided in the MYT determination, and data provided by the Petitioner, the Authority has assessed the PYA of the Petitioner under various heads as under:

Description	Rs. Mln
GEPCO	
QTR	3,027
D.M	2,666
PYA	2,262
Sales Mix	2,837
True Ups	-
2023-24	(413)
2024-25	(216)
Other Head	22,383
<b>Total</b>	<b>32,546</b>

- 10.4. The detailed head wise working of aforementioned PYA is attached as annexure-VI



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11. What will be adjustment mechanism for future indexation of different components of revenue requirement during the MYT? Whether there should any efficiency factor (X Factor)?

- 11.1. Regarding adjustment mechanism of different components, the Petitioner submitted as under;

Indexation of O & M Expenses:

O & M (Rev) = Revised O&M Expense for the Current Year

O & M (Ref) = Reference O&M Expense for the Reference Year

$\Delta$ CPI = Change in Consumer Price Index published by Pakistan Bureau of Statistics

X = Efficiency factor to be set at zero

Depreciation

DEP (Rev) = DEP (Ref) X GFAIO(Rev) / GFAIO (Ref)

DEP (Rev) = Revised Depreciation Expense for the Current Year

DEP(Ref) = Reference Depreciation Expense for the Reference Year

GFAIO (Rev) = Revised Gross Fixed Assets in Operation for the Current Year

GFAIO (Ref) = Reference Gross Fixed Assets in Operation for Reference Year

RoRB

RORB(Rev) = RORB (Ref) X RAB (Rev) / RAB(Ref)

Where

RORB(Rev) = Revised Return on Rate Base for the Current Year

RORB(Ref) = Reference Return on Rate Base for the Reference Year

RAB(Rev) = Revised Rate Base for the Current Year

RAB(Ref) = Reference Rate Base for the Reference Year

Other Income

OI(Rev) = OI(I) - OI(I)

Where:

OI(Rev) = Revised Other Income for the Current Year

OI(I) = Actual Other Income as per latest Financial Statements.

OI(0) = Actual/Assessed Other Income used in the previous year.

- 11.2. The Authority, while assessing the O&M costs of the Petitioner for the FY 2025-26, has taken into account the audited accounts of the Petitioner for the FY 2024-25 and the amount requested by the Petitioner, subject to adjustment during the MYT control period, as per the mechanism mentioned below. Therefore, risk / benefit of any future cost fluctuations, lies with the Petitioner along with an opportunity for optimizing overall costs under these head. The treatment is in line with the very spirit of multi- year tariff regime and in accordance with Authority's approved tariff methodology.
- 11.3. Regarding adjustment of O&M costs with efficiency factor X, the Authority in line with its earlier decisions in the matter of MYTs, has decided to keep the efficiency factor as 30% of increase in NCPI for the relevant year of the MYT control period. The Authority has further decided to implement the efficiency factor from the 3<sup>rd</sup> year of the control period, in order to provide the Petitioner with an opportunity to improve its operational





performance, before sharing such gains with the consumers. The O&M part of Distribution Margin shall be indexed with NCPI subject to adjustment for efficiency gains (X factor).

Indexation of O&M cost components

- 11.4. **Salaries & Wages and Post-retirement Benefits:** Considering the fact that employees of XWDISCOs are hired on Government pay scales, and any salary increase announced by the Federal Government in the Federal Budget is applicable on the employees of the Petitioner, therefore, being un-controllable cost, the Salaries & Wages and benefits, would be actualized, based on the audited accounts of the Petitioner for the relevant year for its existing employees, as long as they remain in public sector. The impact of any such adjustment would be allowed as part of PYA in the next indexation/ adjustment request or tariff determination as the case may be.

Adjustment Mechanism - Salaries, Wages & Other Benefits
Revised Salaries, Wages & Other Benefits Expenses = Ref. Salaries, Wages & Other Benefits x [1+(GoP Increase or CPI)]
The allowed Salaries, Wages & Other Benefits may be considered as reference cost for future adjustment.
The Authority may consider to allow GoP Increase till the time the DISCOs remain in public sector, otherwise CPI indexation may be allowed if DISCOs get privatized.
The allowed amount shall be actualized based on Audited accounts for the relevant year, considering the same as uncontrollable cost on part of XWDISCOs.

- 11.5. Post-retirement benefits would be allowed based on the actuarial valuation report for the year for which assessment is being made or as per the latest available audited financial statements. It would be mandatory for the Petitioner to deposit the whole amount of allowed Post retirement benefits into the separate Fund and route all its pension payments through the Fund. If the Petitioner fails to transfer the whole amount of postretirement benefits into the Fund, the Authority would adjust the deficit payments in the next year's provision and from thereon, only actual amounts paid and amount transferred into the fund would be allowed.

- 11.6. **Transportation/Vehicle Running expense portion of O&M cost**

- 11.7. The reference costs would be adjusted every Year with Transport index of NCPI. The Adjustment mechanism would be as under;

Vehicle running/Transportation expenses (Rev) =

(Vehicle running/Transportation expenses (Ref.) x [1 + (Transport index of NCPI)])

- 11.8. **Remaining O&M costs will be indexed every year according to the following formula:**

The reference costs would be adjusted every Year with NCPI-X factor. The X factor would be applicable from the 3<sup>rd</sup> year of the MYT control period. The Adjustment mechanism would be as under;

O & M(Rev) = O & M (Ref.) x [1 + (NCPI-X)]

Where

O & M (Rev) = Revised O&M Expense for the Current Year

O & M (Ref) = Reference O&M Expense for the Reference Year

△ NCPI = Change in NCPI published by Pakistan Bureau of Statistics for the month of December for the respective year. For O&M expenses,





other than vehicle running expenses, NCPI-General shall be used, whereas for Vehicle Running expense, NCPI-Transport shall be used. Reference NCPI-General and NCPI-Transport of December 2024 for the purpose of future adjustment/ indexation shall be 4.07% and - 0.18% respectively.

Efficiency factor i.e. 30% of NCPI relevant for indexation purpose

## 12. RORB

- 12.1. The reference RoRB would be adjusted every Year based on the amount of RAB worked out for the respective year after taking into account the amount of investment allowed for that year as per the following mechanism;

Adjustment Mechanism - RoRB	
RORB(Rev)	= $RORB(Ref) \times RAB(Rev) / RAB(Ref)$
<p>The allowed RORB may be considered as reference cost for future adjustment.</p> <p>In addition the allowed RORB for previous year will be trued up based on actual investment (maximum cap to the extent of allowed investment) carried out during that year. Further KIBOR fluctuation on bi-annual basis also subject to adjustment. Further Spread of 1.50% is allowed as maximum cap, in case DISCOs manage to obtain financing on spread less than 1.5% the same shall be adjusted as part of PYA.</p>	

- 12.2. In addition, the Petitioner is directed to disclose the amount of IDC capitalized during the year and adjust its RAB for the year after excluding therefrom the impact of IDC capitalized during the year.
- 12.3. In addition, the allowed RAB for previous year will be trued up downward, keeping in view the amount of investment allowed for the respective year, other than consumer financed investments. In case, the Petitioner ends up making higher investments than the allowed (other than consumer financed investments), the same would be the Petitioner's own commercial decision and would not be considered while truing up the RAB, unless due to any regulatory decisions/interventions/approved plans for which the Petitioner obtains prior approval of the Authority. In such case the Authority may also revise the efficiency targets in terms of T&D losses etc.
- 12.4. The Authority also understands that interest payment is an obligatory cash flow liability unlike discretionary dividend payment and considering the fact that any default may hamper the financial position of the Petitioner, hence the Authority has decided to cover the risk of floating KIBOR. Accordingly, fluctuation in the reference KIBOR would be adjusted biannually. In addition, the Authority has also decided to adjust savings, if any, resulting from cheaper financing by the Petitioner. If the Petitioner manages to negotiate a loan below 1.50% spread, the entire savings would be passed onto the consumers annually, through PYA. In case of more than one loan, the saving with respect to the spread would be worked out based on individual loans. In case, the spread is greater than the allowed cap of 1.50%, additional cost would be borne by the Petitioner itself. Similarly, if the Petitioner's total actual cost of debt remains lower than the cost allowed for the year, the entire savings would also be passed onto the consumers annually, through PYA.

## 13. Depreciation Expenses

- 13.1. The reference Depreciation charges would be adjusted every Year as per the following formula;





DEP (Rev) = DEP (Ref) x GFAIO (Rev)

GFAIO (Ref)

Where: DEP (Rev) = Revised Depreciation Expense for the Current Year

DEP (Ref) = Reference Depreciation Expense for the Reference Year

GFAIO (Rev) = Revised Gross Fixed Assets in Operation for the Current Year

GFAIO (Ref) = Reference Gross Fixed Assets in Operation for the Reference Year

- 13.2. In addition, the allowed Depreciation for previous year will be trued up downward, keeping in view the amount of investment allowed for the respective year, other than consumer financed investments. In case, the Petitioner ends up making higher investments (excluding consumer financed investments) than the allowed, the same would be the Petitioner's own commercial decision and would not be considered while truing up the depreciation expenses, unless due to any regulatory decisions/interventions/approved plans for which the Petitioner obtains prior approval of the Authority.

#### 14. Other Income

- 14.1. Other Income shall be adjusted annually as per the following mechanism during the MYT control period to calculate future Other Income.

Adjustment Mechanism - Other Income (OI)		
OI(Rev)	-OI(Allowed Previous year) + (OI(allowed for previous year) - OI(Accual previous year))	
The allowed Other Income may be considered as reference cost for future adjustment. In addition the allowed Other Income for previous year will be trued up based on actual Other Income during that year.		

#### Working Capital

- 14.2. The Authority during proceedings directed the Petitioner to provide it working capital calculation and has considered the submissions of the Petitioner and in order to access the working capital requirement of the Petitioner, the Authority obtained details of number of days available with the Petitioner to pay in terms of energy procured from National Grid. Based on the information provided by CPPA-G and in line with the mechanism adopted for KE, the working capital requirement of the Petitioner for its Supply function has been assessed as under;

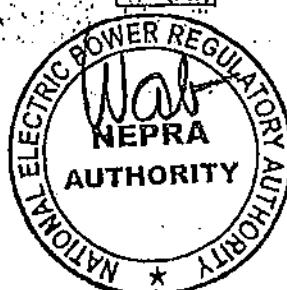
Working Capital Assessment			
Current Assets	Current Liabilities	GEPSCO	Other
Trade debt (days of Revenue Receivable)	25	0.07	25,916

Current Assets			
Trade debt (days of Revenue Receivable)	25	0.07	25,916
Total Current Assets			25,916

Current Liabilities			
EPP From CPPA	41	0.11	11,129
CPP From CPPA	34	0.09	17,486
Transmission	30	0.08	1,955
Distribution	30	0.08	3,251
Total Liabilities			33,821

Net Cost of debt local Working Capital Cost	(7,905) 12% (949)
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- 14.3. As mentioned in the table above, The Petitioner's working capital requirement for the Supply function has been assessed as negative Rs.7,905 million and cost working capital requirement works out as negative Rs.949 million, based on 3 months KIBOR i.e. 11% +1% spread as maximum cap, subject to downward adjustment in case the actual spread remains lower. The same is allowed to the Petitioner for the CY 2026, and is subject to adjustment, as per the mechanism provided below, once the audited accounts of the Petitioner for the FY 2025-26 are available.

#### Working capital (Supply)

Revised cost of working capital = Working capital requirement as per given formula x Cost of debt on allowed parameters

- Working capital requirement shall be calculated based on assessed revenue requirement under each head for relevant year.
- Cost of Debt shall 3 Months KIBOR + 1% spread as maximum cap, subject to downward adjustment at the end of each financial year.

Actualization of Previous year based on allowed revenue as PYA

- Current Assets
  - Lower of 25 days receivables based on allowed revenue (including the impact of allowed adjustments), OR Actual average Receivables for the Financial Year (excluding opening receivables).
- Current Liabilities
  - Payables pertaining to EPP & CPP based on average Number of days data to be provided by CPPA-G.
  - Transmission charges (30 days) & Distribution Charges (30 days) or based on contractual agreement, if any.
  - Actualization of the aforementioned heads shall be based on allowed costs after accounting for the impacts of allowed adjustments.
- All heads based on allowed days to be actualized after incorporating the impact of allowed adjustments, if any. While actualizing these heads impact of working capital cost be excluded.
  - Amount retained by the Petitioner on account of Net metering settlement
  - Any other amount retained by the Petitioner

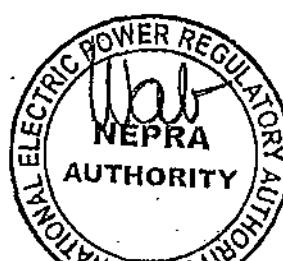
3 Month KIBOR + 1% Spread as maximum cap subject to downward adjustment. For the purpose of 3 Month KIBOR, the actual weighted average KIBOR of finance cost incurred by the Petitioner shall be considered, if any. Similarly, for the purpose of spread, actual weighted average spread incurred by the Petitioner shall be considered, if any. In case actual weighted average spread is lower than 1% cap, the same shall be adjusted downward only. No upward adjustment of spread is allowed.

- Here it is also pertinent to mention that since the amount of receipts against deposit works has been adjusted while working out the cost of working capital; therefore, any interest earned on such deposits shall not be adjusted as part of other income. The Petitioner therefore shall ensure a separate disclosure of such income in its audited accounts. In case of failure to disclose such income separately, the entire interest income shall be adjusted as part of other income.





15. Whether there should be any fixed charges on Units exported by net metering users to the extent of Transmission and Distribution charges or otherwise?
  - 15.1. The petitioner during the hearing submitted that Fixed Charges on Units exported by net metering users to the extent of Transmission and Distribution charges, the Authority in its own discretion may impose such levy.
  - 15.2. The Authority noted that vide decision dated 23.06.2025, all DISCOs have been directed to undertake a comprehensive study as outlined below, to thoroughly examine the impact of ToU tariff timings and Distributed Solar integration on utilities operations.
    - *Comprehensive study on the impact of existing time-of-use (ToU) tariff timings and proposed measures for aligning demand with evolving load patterns*
    - *Comprehensive assessment of the financial and technical impacts of distributed solar photovoltaic (PV) integration on distribution utility operations and infrastructure*
  - 15.3. DISCOs were also directed to jointly develop, through mutual consultation, a uniform Terms of Reference (ToR) to carry out the above studies and submit the same to NEPRA for approval. DISCOs have prepared and submitted the ToRs, which are currently under review.
  - 15.4. Here it is also pertinent to highlight that the Authority has elicited public opinion on the NEPRA (Prosumer) Regulations, whereby, changes in both the methodology and rate for the units being exported by a Distributed Generator (DG), are being proposed.
  - 15.5. The Authority therefore considers it appropriate to review the quantum of fixed charges to be levied on Net Metering Consumers, once the aforementioned studies are completed, and also once the NEPRA (Prosumer) Regulations are notified / changes in the current methodology and rate of units exported are finalized. Therefore, for the purpose of instant determination, the Authority has decided not to make any changes in this regard.
16. Whether the recovery target and provision for bad debt as provided in petition is justified?
  - 16.1. The petitioner submitted that the Recovery Target is set at 100% and no provision for bad debts is requested in the petition. However, keeping in view the Futuristic Strategic Policy, the Authority may allow GEPSCO to write off bad debts outstanding for many years.
  - 16.2. Here it is pertinent to mention that previously XWDISCOs have not been allowed any recovery loss and tariff setting has been at 100% recovery assumptions. Write offs were allowed to certain XWDISCOs on provisional basis, subject to fulfillment of the laid down criteria, but since no XWDISCO was able to actually write-off any amount, the provisionally allowed amounts of write-offs were adjusted back.
  - 16.3. The Authority although initially allowed recovery loss to K-Electric, however, subsequently in the matter of Motion for Leave for Review filed by various stakeholders including the Ministry of Energy (MoE) itself, and the CPPA-G, the Authority decided not to allow any upfront recovery loss and only a capped amount of write-offs was allowed to K-Electric, subject to fulfillment of the prescribed criteria.
  - 16.4. For ready reference the grounds taken by the MoE, being the owner of XWDISCOs, and the CPPA-G in their MLRs in the matter of KE's MYT FY 2024-30 are reproduced below;





- ✓ Allowing of a recovery loss trajectory, effectively transfers the financial burden of DISCO inefficiencies onto paying consumers, thereby penalizing compliant customers while subsidizing non-payment. The MoE (PD) also submitted that this approach is inconsistent with the principle of prudent cost recovery enshrined in Section 31 of the NEPRA Act and the Tariff Rules.
  - ✓ Clause 5.3.2 of the NE Policy envisages that "timely recovery of bad debt that is prudent shall be allowed by the Regulator with the incorporation of facilitative provisions in the regulatory framework as per industry practices and procedures." In this context, SD 31 of the NE Plan operationalizes Clause 5.3.2 of the NE Policy by laying out clear criteria for bad debt write-offs applicable across the sector. Clause 6.1.3 of the NE Policy reinforces that the NE Plan shall serve as the implementation tool for achieving policy goals.
  - ✓ Consequently, the Authority is legally obligated under Sections 7(2)(ia), 14A(5), and 31(1) of the NEPRA Act to align tariff determinations with the NE Plan and apply its prescriptions uniformly to all DISCOs. If this practice of allowing recovery loss is extended sector-wide, the projected annual burden would rise to Rs.270 billion, potentially accumulating to Rs.1,500 billion over seven years. Such a development would jeopardize the financial sustainability of the power sector and run contrary to the goals of tariff rationalization and reform-based efficiency.
  - ✓ The Act mandates the Authority to allow only prudently incurred costs and any inefficiencies on the part of utility company cannot be considered as prudent cost and should not be allowed.
  - ✓ It is the duty of the Authority while discharging its function of determining and recommending tariff that: (a) the interests of the consumers and the companies engaged in providing electric power services is duly protected in accordance with the principles of transparency and impartiality; and (b) it shall be guided by the NE Policy, the NE Plan and the guidelines of the Federal Government.
  - ✓ Recovery shortfall (if any) be met by way of application of principles of write-off, subject to fulfilment of specified criteria for such write-off of bad debts, in line with industry practices and procedures in other regulatory jurisdictions, which shall duly protect the interests of the consumers and companies engaged in providing electric power services and would be consistent with the NE Policy and the NE Plan.
- 16.5. The Authority while deciding the MLR of the MoE and CPPA-G in the matter of KE's MYT, also construed that since the MoE (PD) is actively pursuing privatization of other XWDISCOs; so the submissions made by the MoE (PD) in its Motions for not allowing any up-front recovery loss, can be construed as a policy decision, meaning thereby that similar treatment will be offered to other DISCOs.
- 16.6. In view of the above discussion and the fact that allowing recovery loss allowance effectively transfers the financial burden of DISCO's inefficiencies onto the paying consumers or on the national exchequer through subsidies, the Authority has decided not to allow any upfront recovery loss to the Petitioner. Accordingly, GEPSCO's tariff is being determined on the basis of 100% recovery target as also proposed by GEPSCO itself. GEPSCO, however, will be allowed to claim write-offs, after fulfillment of the given criteria, as per the following limits, to be considered as maximum cap for the relevant year;





FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1.00%	1.00%	1.00%	1.00%	1.00%

Criteria for claiming actual write-offs

- a. Actual write-offs, if any, against private consumers only, pertaining to billing made during the current MYT period i.e. FY 2026-30, after fulfillment of the following criteria subject to maximum cap as provided above. The claim shall be verified by third party/auditor, based on the following criteria:
  - i. The claim shall be applicable for the default amount of a permanently disconnected consumer that may not be recovered through all efforts possible.
  - ii. The age of such non-recovery is over three (3) years.
  - iii. The amount of write-off shall be claimed against connections given as per CSM and other applicable documents, duly supported by CNICs.
  - iv. Write-offs against receivables of any Government entity / PSC shall not be allowed.
  - v. Petitioner's BOD shall develop a write-off policy, in accordance with the aforementioned criteria and submit it to the Authority for its approval. The Authority, may while granting approval alter, modify or add to the write-off policy, in its sole discretion.
  - vi. Petitioner's BOD shall approve all write-off claims in accordance with the Authority's approved write-off policy. The Petitioner's BOD approved write-off shall be subject to independent third-party verification that the write-offs are as per the Authority's approved write-off policy. The terms of references (TORs) for third party / auditor verification of write-offs shall be prepared by Petitioner and shall be approved by the Authority. The Authority, may while granting approval alter, modify or add to the TORs, in its sole discretion.
  - vii. Any write-off approved by the Petitioner's BOD, in accordance with the write-off policy approved by the Authority, and verified by the third-party independent auditor, in accordance with the approved TORs, after expiry of the MYT 2026-2030 shall be allowed by the Authority.
17. Whether the existing fixed charges applicable to different consumer categories needs to be revised and requires any changes in mechanism for charging of such charges based on Actual MDI or Sanctioned Load or otherwise?
18. Whether there should any Fixed Charges on consumer's categories who are currently not paying any fixed charges?
- 18.1. The Petitioner during the hearing submitted that Revisions / Changes in existing Fixed Charges rates / mechanism be as per guidelines of Strategic Directive 74 of National Electricity Plan 2023-27.
- 18.2. The Authority noted that earlier fixed charges were being levied at around Rs.400-500/kW/month based on higher of 50% of sanctioned load or actual MDI for the month. The rate was subsequently enhanced to Rs.2,000/kW/month, vide, decisions dated 14.06.2024, however, the Federal Government vide its Motion for uniform tariff, dated



03.07.2024, requested to revised the same downward as Rs.1,250/kW/month based on higher of 25% of the sanctioned load or actual MDI for the month. The Authority vide decision dated 11.07.2024, in the matter of uniform tariff Motion, considering the concerns raised by stakeholders, and prevailing economic challenges decided to restrict fixed charges at Rs.1,250/kW/month.

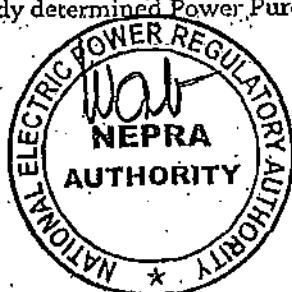
- 18.3. The prime objective of revision in fixed charges and corresponding reduction in variable charges is to incentivize consumers to increase their electricity consumption from national grid, thus, lowering their overall effective tariff.
- 18.4. Here it is also to be highlighted that the Authority has recently initiated the process of notifying the NEPRA (Prosumer) Regulations, whereby, changes in both the methodology and rate for the exported units are being proposed. These changes, once approved, may result in increased consumption from the Grid, consequently leading to higher recovery of fixed costs, as part of variable charges. In view thereof, for the purpose of instant determination, the Authority has decided to maintain the existing rate of fixed charges for the consumers who are currently being charged fixed charges at Rs./kW/month along-with the applicability mechanism.
- 18.5. Similarly, for consumers, who are currently being charged, fixed charges as Rs./Consumer/Month, the Authority has also decided to maintain the existing practice.

**19. Whether the schedule of tariff be designed on cost-of-service basis or otherwise?**

- 19.1. The Petitioner submitted that, the schedule of tariff should be made reflective of the Cost of Service, without inter-tariff cross subsidy. [SD-82, SD-83, SD-84 of NE Plan referred. However, till implementation of subsidy disbursement mechanism [SD 67] and action plan thereof [SD 68], the subsidy to the protected residential consumers may continue.
- 19.2. The submissions of all DISCOs regarding the applicability of a cost-of-service (CoS) based tariff structure have been analyzed. Multiple DISCOs like HESCO, GEPCO, QESCO, HAZECO, and PESCO explicitly referred to the NE Plan SD-82, 83 and 84, which call for transitioning toward CoS-based tariffs to promote transparency, financial sustainability, and equitable allocation of costs among consumer categories. DISCOs in general have supported CoS based tariff design, which would enhance transparency, and equitable cost allocation among consumers in terms of actual costs they impose on the system.
- 19.3. The Authority noted that NE Plan provides that tariffs for the residential consumers shall be progressively adjusted to align with the principle of cost-of-service, taking into account the following:
  - a. Subsidies to protected categories of residential consumers shall be disbursed directly pursuant to the detailed action plan to be developed under Strategic Directive 067;
  - b. Residential consumers (below cost recovery) shall be cross subsidized by:
    - i. industrial & commercial consumers, pursuant to the Strategic Directive 084;
    - ii. other residential consumers (above cost recovery).
- 19.4. SD 84 states that Cross-subsidy by the productive consumers, to subsidize residential and agricultural consumers, shall be progressively restricted to 20% of the respective cost of service of such consumers by FY-2026.



- 19.5. In light of the aforementioned provisions of NE Plan, the Authority, has decided to gradually reduce the quantum of cross subsidization by the Industrial consumers in order to make it cost reflective and major burden of cross subsidization is being shifted towards commercial and other residential consumers (above cost of service).
20. Whether there will be any claw back mechanism or not?
- 20.1. Although DISCOs made their submissions on this issue, however, the Authority noted that DISCOs were not able to fully comprehend the issue.
21. The Authority understands that sharing mechanism for any savings by the utility has already been provided under each head separately e.g. O&M costs, T&D losses, cost of debt etc. therefore, no such mechanism is separately required. However, still if there is any additional return by the Petitioner, which could not be comprehended at this stage, the same would be shared between DISCO and consumers equally.
22. Upfront Indexation/adjustment for the period July 2026 to December 2026
- 22.1. The Ministry of Energy (MoE (PD)) vide letter dated 18.08.2025, submitted that NEPRA determines the consumer-end tariff for XWDISCOs and K-Electric in accordance with Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the Act), read with Rule 17 of the NEPRA (Tariff Standards and Procedure) Rules, 1998. The uniform rebased tariff, once determined, is notified by the Federal Government under Section 31(7) of the Act. The latest rebasing was notified on July 1, 2025. In accordance with the Rules read with Part 5 of the NEPRA Determination of Consumer-end Tariff (Methodology & Process) Guidelines, 2015, the Distribution Companies (DISCOs) are required to initiate the tariff determination process by submitting their minimum filing requirements by January 31<sup>st</sup> of each year. The submission is followed by Authority's internal meetings, public hearing, tariff determination and notification by the Government. Keeping in view the recent annual tariff determinations, the rebasing is notified by the Government in the month of July, each year with effect from 1<sup>st</sup> July.
- 22.2. The MoE (PD) further mentioned that as an unfortunate coincidence, the consumers face high Fuel Charges Adjustments (FCAs) as well as the annual tariff rebasing, simultaneously in the summer months. This increase in tariff coupled with higher consumption leads to significant hike in the consumer electricity bills of summer months which in turn results in unaffordability, public dissatisfaction and nationwide protests in the country. The issue can be streamlined if the timing of annual rebasing is shifted from summer to winter months where the electricity consumption is lower and any tariff increase can be absorbed in consumer bills. This would result in relatively stable and sustainable electricity prices throughout the year. The National Electricity Plan Strategic Directive 8 also stipulates that the Regulator shall also revisit the "Guidelines for Determination of Consumer End Tariff (Methodology and Process), 2015" to enable alignment of schedule of regulatory proceedings for planning activities and rate case & tariff determinations.
- 22.3. The MoE (PD) submitted that the Cabinet has approved that policy guidelines may be issued to NEPRA to revise the annual tariff determination process timelines by amending the relevant legal and regulatory framework in a way that the rebasing is notified with effect from 1<sup>st</sup> January, each year, after completion of all regulatory proceedings. In this regard, it is highlighted that NEPRA has already determined Power Purchase Price (PPP)





references up to June 2026. Projections for the remaining six months will be shared subsequently.

- 22.4. In light of above and in exercise of powers under Section 31 of the Act, the Federal Government hereby issues the following policy guidelines for implementation by NEPRA;  
*"NEPRA shall revise the annual tariff determination process timelines by amending the relevant legal and regulatory framework (guidelines, rules and procedures) to ensure that annual rebasing is notified with effect from January 1<sup>st</sup> of each year, after completion of all regulatory proceedings."*
- 22.5. GEPCO also vide letter dated 17.10.2025, submitted that the MoE (PD) vide letter dated 16.10.2025, has conveyed that the Federal Government has approved the revision of the annual tariff determination schedule, making it effective from 1<sup>st</sup> January each year. The Authority has already determined the Power Purchase Price (PPP) references up to June 2026, accordingly, it is submitted that the references for the remaining period up to December 2026 may also be determined, in line with the above-mentioned directives.
- 22.6. GEPCO further stated that it has already submitted its Multi-Year Tariff (MYT) Petition for FY 2025-26 to FY 2029-30 for determination and the decision of the Authority is awaited. Meanwhile, an interim tariff for FY 2025-26 has been determined by the Authority in response to PESCO's request dated 29.05.2025.
- 22.7. GEPCO accordingly requested that the Authority to determine the consumer-end tariff for the period from July 1, 2026 to December 31, 2026 in accordance with the revised annual rebasing timeline effective January 1, 2026, to ensure smooth and timely transition to the revised rebasing schedule.
- 22.8. The matter was discussed during the hearing, and the Petitioner requested the following costs on account of interim indexation for the 06 months period from Jul. 26 to Dec. 26;

Description	GEPCO
Salaries, Wages & Other Benefits	9,413
Post Retirement Benefits	5,906
Other O & M Costs	3,136
Depreciation	2,636
Return on Rate Base	5,356
Turn Over Tax	
Gross Distribution Margin	26,447
Less: Other Income	(2,732)
Net Distribution Margin	23,715

- 22.9. The Authority has considered the guidelines issued by the Federal Government regarding tariff rebasing to be made effective from 1<sup>st</sup> January, instead of July each year. The Authority is cognizant of the fact that rebasing of tariff effective July, if upward, coupled with high consumption, leads to increase in overall electricity bills during summer months; thus, adversely impacting DISCOs performance in terms of recoveries and losses. However, even with re-basing in January, the overall billing impact for the consumers in summer months would remain same, had the rebasing been made effective from July. Nonetheless, in light of NE Plan, SD 8 and the instant policy guidelines, the Authority has completed the consultation process for revision in "Guidelines for Determination of Consumer End Tariff (Methodology and Process), 2015", and the same are now in the process of notification.



9 March



- 22.10. Further, in light of the instant policy guidelines, the Authority has determined the revised Power Purchase Price (PPP) references for the period from January 2026 to December 2026 through a separate decision. Pursuant thereto and keeping in view the request of the Petitioner to also determine tariff for the period from July 1, 2026 to December 31, 2026, in accordance with the revised annual rebasing timelines, the Authority has also determined provisional revenue requirement of GEPICO for the period from July 1, 2026 to December 31, 2026 as under:

Description		July to December 2026	July 2026-27
Pay & Allowances	[Mln. Rs.]	8,925	
Post Retirement Benefits	[Mln. Rs.]	6,587	
Repair & Maintenance	[Mln. Rs.]	1,470	
Traveling allowance	[Mln. Rs.]	266	
Vehicle maintenance	[Mln. Rs.]	547	
Other expenses	[Mln. Rs.]	753	
O&M Cost	[Mln. Rs.]	18,547	
Depreciation	[Mln. Rs.]	2,485	
RORB	[Mln. Rs.]	5,787	
O.Income	[Mln. Rs.]	(2,484)	
Margin	[Mln. Rs.]	24,836	

- 22.11. For the purpose of rebasing for the period from Jan. to Dec. 2026, the amount recovered by the Petitioner, to the extent of distribution and supply margin along-with PYA, from Jul. to Dec. 25, based on interim tariff allowed for the FY 2025-26, has been adjusted from the revised assessed tariff for the FY 2025-26. The recovered amount has been calculated by applying the Rs./kWh rate as per the interim tariff (to the extent of Distribution & Supply Margin and PYA), with the projected unit sales from July to December 2025.
- 22.12. The adjusted revenue requirement so worked out for the period from Jan. to Jun. 26 has been clubbed together with the provisional revenue requirement determined for the period from Jul. to Dec. 2026, to work out the overall revenue requirement of the Petitioner for the period from January 2026 to December 2026. The Schedule of Tariff (SoT) of the Petitioner has been designed accordingly.
- 22.13. Any under over recovery of the determined revenue requirement for the FY 2025-26, based on the allowed regulatory targets in terms of T&D losses, recovery etc., and provisional revenue requirement being allowed for the six months period i.e. from Jul. to Dec. 26, would be adjusted subsequently, while determining the final revenue requirement of the Petitioner for the FY 2026-27.

### 23. Order

- 23.1. In view of the discussion made in preceding paragraphs and accounting for the adjustments discussed above, the allowed revenue requirement of the Petitioner, for the FY 2025-26 along-with upfront indexation/adjustment from July to December 2026 and Tariff table of CY 2026 (January 2026 to December 2026), to the extent of its distribution function is summarized as under;

*Math 9*





Description	Unit	Revised Allowed FY 2025-26	Allowed CY 2026
		SoP	SOP
Units Received	[MkWh]	12,063	
Units Sold	[MkWh]	10,995	
Units Lost	[MkWh]	1,068	
Allowed T&D Losses	[%]	8.85%	
Energy Charge		98,017	
Capacity Charge		188,243	
Transmission Charge + MOF		23,787	
Power Purchase Price	[Mn. Rs.]	310,048	
Wire Business Margin		40,378	
Power Purchase Price with Wire Business		350,426	
Pay & Allowances	[Mn. Rs.]	4,279	4,327
Post Retirement Benefits	[Mn. Rs.]	2,994	2,801
Repair & Maintainance	[Mn. Rs.]	55	71
Traveling allowance	[Mn. Rs.]	125	112
Vehicle maintenance	[Mn. Rs.]	52	63
Other expenses	[Mn. Rs.]	142	114
O&M Cost	[Mn. Rs.]	7,546	7,489
Depreciation	[Mn. Rs.]	94	107
RORB	[Mn. Rs.]	182	204
O.Income	[Mn. Rs.]	(3,477)	(3,196)
Margin	[Mn. Rs.]	116	14,604
Prior Year Adjustment	[Mn. Rs.]		22,420
Working Capital	[Mn. Rs.]		(949)
Revenue Requirement	[Mn. Rs.]	4,446	376,501
Average Tariff	[Rs./kWh]		34.24

- 23.2. The above assessment has been carried out based on the data/information provided by the Petitioner, which the Authority believes is correct and based on facts. In case of any deviation / misrepresentation observed at a later stage, the Petitioner shall be held responsible for the consequences arising out, under NEPRA Act, Rules and Regulations made thereunder. Any consequential adjustment if required will be made accordingly.
- 23.3. The Petitioner is directed to follow the following timelines for submission of its future indexation/adjustment during the MYT control period;



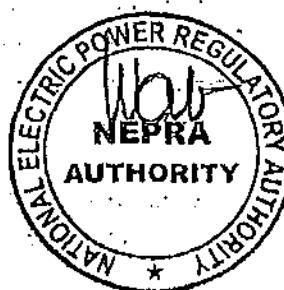


*Determination of the Authority in the matter of MYT Petition  
of GEPSCO for Supply Tariff under the MYT Regime*

Description		Pass Through	ADJUSTMENTS/ INDEXATION	TIME LINES
Power Purchase Price	Pass through		The Authority, keeping in view of any abnormal changes may review Power Purchase Price references along with any Quarterly adjustment	
Fuel Cost			Monthly, as per the approved mechanism. Impact of FCA on T&D losses would be adjusted on Quarterly basis.	Data to be provided by CPPA (G) by close of the month
Variable O&M			Quarterly, as per the approved Quarterly adjustment mechanism	Request to be furnished by the Petitioner not later than a period of 07 Days on Quarterly basis.
Capacity Charges			Quarterly, as per the approved Quarterly adjustment mechanism	Request to be furnished by the Petitioner not later than a period of 07 Days on Quarterly basis.
Transmission/USOC & MOF Charges			Quarterly, as per the approved Quarterly adjustment mechanism	Request to be furnished by the Petitioner not later than a period of 07 Days on Quarterly basis.
Margin				
Salaries, Wages & Benefits				
Post-retirement Benefit			Annually as per the mechanism given in the decision	
Other operating expenses				
Depreciation				
Return on Regulatory Asset Base				
Other Income				
Prior Year Adjustment			Annually as per the mechanism given in the decision	
XIBOR			Bi-Annually, as per the decision	
Return on Equity (ROE)			No adjustment allowed over Reference ROE	
Spreads			As per the mechanism in the decision	

- 23.4. For determination of use of system charges based on the aforementioned revenue requirement the Petitioner is directed to file its use of system charges petitions in line with applicable documents.
  - 23.5. The Petitioner is directed to ensure separate disclosure of each item in its audited financial statements as mentioned in the determination.
  - 23.6. The Petitioner is also directed to ensure breakup of its Operating cost in terms of Distribution and Supply function separately in its audited financial statements.
  - 23.7. The Petitioner is responsible to provide service within its service territory on a non-discriminatory basis to all the consumers who meet the eligibility criteria laid down by the Authority and make its system available for operation by any other licensee, consistent with applicable instructions established by the system operator.
  - 23.8. The Petitioner shall follow the performance standards laid down by the Authority for distribution and transmission of electric power, including safety, health and environmental protection instructions issued by the Authority or any Governmental agency or Provincial Government;
  - 23.9. The Petitioner shall ensure to develop, maintain and publicly make available, its investment program for satisfying its service obligations and acquiring and selling its assets.
  - 23.10. The Petitioner shall disconnect the provision of electric power to a consumer for default in payment of power charges or to a consumer who is involved in theft of electric power on the request of Licensee.
  - 23.11. The Petitioner shall comply with, all the existing or future applicable Rules, Regulations, orders of the Authority and other applicable documents as issued from time to time.
- 24. Summary of Direction**
- 24.1. The Authority hereby directs the Petitioner;
    - i. To provide the reconciled date of sales mix for last 3 years with its reported revenue as per audited financial statements.

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- ii. To provide comprehensive reconciliation of PYA allowed under different heads for at least last 3 years with the revenue reported in audited accounts.
  - iii. To provide year wise detail of amounts deposited in the Fund, amount withdrawn along- with profit/interest earned thereon since creation of Fund each year.
  - iv. To provide the amount of IDC capitalized with its subsequent adjustment request and reflect the same in its Audited Financial Statements each year.
  - v. To get its data, regarding units billed to lifeline consumers, domestic consumers (consuming up-to 300 units) and Agriculture consumers, reconciled with PTC and submit such reconciliation to the Authority every year.
  - vi. To ensure that by the time it files its next tariff petition/ adjustment request; MDI for all consumers at all levels is properly recorded.
  - vii. To provide a certification from its Auditors that Repair and Maintenance expenditure does not include any CAPEX nature item
25. The Determination of the Authority, is hereby intimated to the Federal Government for filing of uniform tariff application in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.
26. The instant determination of the Authority along-with order part and Annexures, be also notified in terms of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, while notifying the uniform tariff application decision of the Authority.

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AUTHORITY

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Amina Ahmed

Member

Engr. Maqsood Anwar Khan

Member

Waseem Mukhtar  
Chairman



### FUEL PRICE ADJUSTMENT MECHANISM

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

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

Where:

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

Actual fuel cost component is the fuel cost component in the pool price on which the DISCOs will be charged by CPPA (G) and for fuel cost of energy procured through bilateral contracts, in a particular month; and

Reference fuel cost component is the fuel cost component for the corresponding month projected for the purpose of tariff determination;

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

Model 9



### QUARTERLY ADJUSTMENT MECHANISM

Quarterly adjustment shall be the Actual variation in Power Purchase Price (PPP), excluding Fuel Cost Component, against the reference Power Purchase Price component and the impact of T&D losses on FCA, for the corresponding months and shall be determined according to the following formula;

Quarterly PPP (Adj) =  $\frac{\text{PPP}_{(\text{Actual})} \text{ (excluding Fuel cost)} - \text{PPP}_{(\text{Recovered})} \text{ (excluding Fuel cost)}}{\text{Where;}}$

$\text{PPP}_{(\text{Actual})}$  is the actual cost, excluding Fuel cost, invoiced by CPPA-G to XWDISCOs and for energy procured through bilateral contracts, adjusted for any cost disallowed by the Authority.

$\text{PPP}_{(\text{Recovered})}$  is the amount recovered based on reference rate in Rs./kWh, excluding fuel cost, as per the tariff determination that remained notified during the period.

#### Impact of T&D losses on FCA

=  $\frac{\text{Monthly FCA allowed (Rs./kWh)} \times \text{Actual units Purchase} \times \% \text{ T&D losses}}{\text{Where;}}$

Where;

Monthly FCA allowed (Rs./kWh) is the FCA allowed by the Authority for the respective months of the concerned period.

T&D Loss % is percentage of T&D losses that remained notified during the period.

The sum of amounts so worked for each month of the Quarter shall be divided by the Projected units to be sold as determined by the Authority to work out Rs./kWh Quarterly adjustment.



**Gujranwala Electric Power Company (GEPCO)**  
Estimated Sales Revenue on the Basis of New Tariff

Description	Sales			Base Revenue			Base Tariff			PYA 2025		Total Tariff			
	GWh	% Min	Fixed Charge	Variable Charge	Total	Min. Rs.	Min. Rs.	Rs./GWh	Rs./KWh	Amount	Variable Charge	Fixed Charge	Fixed Charge	Variable Charge	
<b>Residential</b>															
For peak load requirement less than 5 kW															
Up to 50 Units - Lite Line	21	0%	-	634	634			-	30.35	43	2.04	-	-	32.1	
51-100 units - Lite Line	23	0%	-	723	723			-	30.88	49	2.04	-	-	32.1	
01-100 Units	1569	14%	-	54,180	54,180			-	34.76	9,179	2.04	-	-	36.1	
101-200 Units	404	4%	-	13,680	13,680			-	34.61	823	2.04	-	-	36.1	
01-100 Units	428	4%	-	14,816	14,816			-	34.28	669	2.04	-	-	36.1	
101-200 Units	949	0%	-	31,818	31,818			-	33.31	1,035	2.04	-	-	35.1	
201-300 Units	1430	13%	-	48,355	48,355			-	33.80	2,917	2.04	-	-	35.1	
301-400 Units	691	5%	434	23,184	23,184	200	-	33.58	1,409	2.04	200	-	-	35.1	
401-500 Units	334	3%	337	11,039	11,039	400	-	33.14	600	2.04	400	-	-	35.1	
501-600 Units	171	2%	224	5,844	5,844	600	-	32.94	348	2.04	600	-	-	34.1	
601-700 Units	98	1%	143	3,134	3,277	600	-	32.80	183	2.04	800	-	-	34.1	
Above 700 Units	103	2%	224	5,969	6,193	1,000	-	32.64	373	2.04	1,000	-	-	34.1	
For peak load requirement exceeding 5 kW															
Time of Use (TOU) - Peak	85	1%	663	2,178	2,839	1,000	-	33.21	133	2.04	1,000	-	-	35.1	
Time of Use (TOU) - Off-Peak	231	2%	-	7,118	7,118	1,000	-	30.78	471	2.04	1,000	-	-	32.1	
Temporary Supply	1	0%	1	20	23	2,000	-	35.89	1	2.04	2,000	-	-	37.1	
Total Residential	5,584	60%	2,018	222,314	224,630						13,425				
<b>Commercial - A2</b>															
For peak load requirement less than 5 kW															
For peak load requirement exceeding 5 kW															
Regular	0	0%	0	2	3	-	1,250	23.34	0	2.04	-	1,250	-	25.1	
Time of Use (TOU) - Peak	91	1%	-	2,085	2,085	-	-	31.50	185	2.04	-	-	-	33.1	
Time of Use (TOU) - Off-Peak	310	3%	2,624	7,557	10,161	-	1,250	23.70	650	2.04	-	1,250	-	25.1	
Temporary Supply	15	0%	23	518	540	5,000	-	34.38	31	2.04	5,000	-	-	36.1	
Electric Vehicle Charging Station	2	0%	-	68	68	-	-	31.25	4	2.04	-	-	-	33.1	
Total Commercial	784	7%	7,014	19,095	26,109						1,598				
<b>General Services - A3</b>															
<b>Industrial</b>															
D1	26	0%	84	859	859	1,000	-	30.88	57	2.04	1,000	-	-	32.1	
U1 Peak	66	1%	-	2,294	2,294	1,000	-	33.84	138	2.04	1,000	-	-	35.1	
U1 Off-Peak	401	4%	671.38	11,425	12,096	1,000	-	28.51	617	2.04	1,000	-	-	30.1	
D2	0	0%	0	0	0	-	1,250	28.35	0	2.04	-	1,250	-	31.1	
D2 - TOU (Peak)	147	1%	-	4,853	4,853	-	-	33.80	309	2.04	-	-	-	35.1	
D2 - TOU (Off-Peak)	852	8%	5,635	21,030	26,665	-	1,250	24.98	1,738	2.04	-	1,250	-	28.1	
D3 - TOU (Peak)	110	1%	-	4,020	4,020	-	-	33.97	241	2.04	-	-	-	36.1	
D3 - TOU (Off-Peak)	896	9%	4,210	10,284	23,524	-	1,250	19.37	2,031	2.04	-	1,250	-	21.1	
D4 - TOU (Peak)	3	0%	-	83	83	-	-	33.07	8	2.04	-	-	-	35.1	
D4 - TOU (Off-Peak)	15	0%	69	353	421	-	1,250	23.21	31	2.04	-	1,250	-	25.1	
Temporary Supply	0	0%	1	5	5	5,000	-	34.33	0	2.04	5,000	-	-	36.1	
Total Industrial	2,628	24%	10,709	64,325	75,035						5,358				
<b>Single Point Supply</b>															
C1 (a) Supply at 400 Volts-less than 5 kW	0	0%	0	1	2	2,000	-	30.77	0	2.04	2,000	-	-	32.1	
C1 (b) Supply at 400 Volts-exceeding 5 kW	0	0%	0	2	2	-	1,250	17.27	0	2.04	-	1,250	-	18.1	
Time of Use (TOU) - Peak	2	0%	-	48	48	-	-	28.00	3	2.04	-	-	-	30.1	
Time of Use (TOU) - Off-Peak	7	0%	18	153	173	-	1,250	21.85	15	2.04	-	1,250	-	23.1	
C2 Supply at 11 KV	0	0%	-	-	-	-	1,250	19.10	-	2.04	-	1,250	-	18.1	
Time of Use (TOU) - Peak	29	0%	-	816	816	-	-	31.43	69	2.04	-	-	-	33.1	
Time of Use (TOU) - Off-Peak	119	1%	558	1,707	2,265	-	1,250	15.16	228	2.04	-	1,250	-	17.1	
C3 Supply above 11 KV	0	0%	-	-	-	-	1,250	25.82	-	2.04	-	1,250	-	27.1	
Time of Use (TOU) - Peak	0	0%	-	-	-	-	1,250	35.55	-	2.04	-	1,250	-	37.1	
Time of Use (TOU) - Off-Peak	0	0%	-	-	-	-	1,250	23.87	-	2.04	-	1,250	-	25.1	
Total Single Point Supply	151	1%	878	2,027	3,403						307				
<b>Agricultural Tube-wells - Tariff D</b>															
Scrub	0	0%	-	1	1	-	-	23.02	0	2.04	-	-	-	25.1	
Time of Use (TOU) - Peak	0	0%	-	-	-	-	-	19.97	-	2.04	-	-	-	22.1	
Time of Use (TOU) - Off-Peak	0	0%	-	-	-	-	-	17.78	-	2.04	-	-	-	19.1	
Agricultural Tube-wells	51	0%	73	1,547	1,620	-	400	30.46	103	2.04	-	400	-	32.1	
Time of Use (TOU) - Peak	49	0%	-	1,668	1,668	-	-	34.28	99	2.04	-	-	-	38.1	
Time of Use (TOU) - Off-Peak	253	2%	594	8,610	7,104	-	400	26.72	518	2.04	-	400	-	27.1	
Total Agricultural	333	3%	667	9,715	10,392						718				
<b>Public Lighting - Tariff G</b>															
Residential Coloures	14	0%	19	398	411	2,000	-	27.68	29	2.04	2,000	-	-	29.1	
Time of Use (TOU) - Peak	1	0%	0	15	18	2,000	-	22.61	1	2.04	2,000	-	-	24.1	
Time of Use (TOU) - Off-Peak	261	2%	8,103	6,418	7,910	-	1,250	22.65	-	2.04	-	1,250	-	24.1	
Total	331	3%	1,205	8,446	9,653						676				
<b>Pre-paid Supply Tariff</b>															
Residential	-	-	-	-	-	-	1,000	-	39.15	-	2.04	-	1,000	-	41.1
Commercial - A2	-	-	-	-	-	-	1,250	-	28.33	-	2.04	-	1,250	-	30.1
General Services - A3	-	-	-	-	-	-	1,000	-	33.79	-	2.04	-	1,000	-	35.1
Industrial	-	-	-	-	-	-	1,250	-	28.48	-	2.04	-	1,250	-	30.1
Single Point Supply	-	-	-	-	-	-	1,260	-	21.66	-	2.04	-	1,250	-	23.1
Agricultural Tube-wells - Tariff D	-	-	-	-	-	-	400	-	32.03	-	2.04	-	400	-	34.1

Grand Total 10,955 100% 21,456 331,626 354,082 22,420

Note: The PYA 2025 column shall cease to exist after One (01) year of notification of the instant decision.



**GENERAL SCHEDULE OF ELECTRICITY TARIFFS FOR COMMERCIAL SUPPLY BY NATIONAL ELECTRIC POWER COMPANY (NEPCO) LTD.**

**GENERAL SCHEDULE OF ELECTRICITY TARIFFS FOR COMMERCIAL SUPPLY BY NATIONAL ELECTRIC POWER COMPANY (NEPCO) LTD.**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs / Unit / M	FIXED CHARGES Rs / kW / M	VARIABLE CHARGES Rs/kWh	PTA 2013		Total Variable Charge Rs / Unit
					A	B	
1	For Domestic load less than 8 kW				30.39	2.04	30.39
1.1	Up to 60 Units - 8 kW				30.39	2.04	30.39
1.2	81 - 100 Units - 8 kW				30.39	2.04	30.39
1.3	101 - 150 Units				34.79	2.04	34.79
1.4	151 - 200 Units				34.41	2.04	34.41
1.5	201 - 300 Units				34.28	2.04	34.28
1.6	301 - 400 Units				33.21	2.04	33.21
1.7	401 - 600 Units	200			33.89	2.04	33.89
1.8	601 - 800 Units	400			33.14	2.04	33.14
1.9	801 - 700 Units	400			32.95	2.04	32.95
1.10	Always 700 Units	5,000			32.80	2.04	32.80
2	For Domestic load 8 kW & above				32.64	2.04	32.64
2.1	Units Of Use	1,000			32.23	2.04	32.23
2.2	Pre-Paid Residential Supply Tariff	1,000			38.15	2.04	41.19

As per Authority's decision only preferred residential customers will be given the benefit of one per annum.

As per Authority's decision residential load consumer will not be given any such benefit.

Under the PPA, the consumer shall be liable to monthly customer charge at the following rates even if no energy is consumed. For customers whose monthly fixed charges are applicable, no minimum charge shall be applicable on such customers.

a) Single Phase Connection

b) Three Phase Connection

Rs. 78/- per customer per month

Rs. 180/- per customer per month

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs / Unit / M	FIXED CHARGES Rs / kW / M	VARIABLE CHARGES Rs/kWh	PTA 2013		Total Variable Charge Rs / Unit
					A	B	
3	For Unloadable load less than 8 kW	1,000		32.69	2.04		34.68
3.1	For Unloadable load 8 kW & above		1,250	32.24	2.04		33.28
4	Units Of Use		1,250	31.80	2.04		33.80
4.1	Electric Vehicle Charging Station			31.23	2.04		33.23
4.2	Pre-Paid Commercial Supply Tariff	1,000		38.15	2.04		41.19

Where Fixed & Charge are applicable Rs / kW / Month, the charge shall be based on 25% of maximum load or Actual MDI for the month which ever is higher.

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs / Unit / M	FOGZO CHARGES Rs / Unit / M	VARIABLE CHARGES Rs/kWh	PTA 2013		Total Variable Charge Rs / Unit
					A	B	
5	General Services	1,000		28.12	2.04		31.18
5.1	Pre-Paid General Services Supply Tariff	1,000		35.79	2.04		39.83

Where Fixed Charges are applicable Rs / kW / Month, the charge shall be billed based on 25% of maximum load or Actual MDI for the month which ever is higher.

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs / Unit / M	FOGZO CHARGES Rs / Unit / M	VARIABLE CHARGES Rs/kWh	PTA 2013		Total Variable Charge Rs / Unit
					A	B	
6	Up to 25 kW (400/330 Volts)	1,000		30.89	2.04		33.91
6.1	exceeding 25-800 kW (400 Volts)		1,250	39.25	2.04		33.28
6.2	Units Of Use		1,250	38.51	2.04		33.51
6.3	Up to 50 kW		1,250	38.89	2.04		33.73
6.4	exceeding 25-100 kW (400 Volts)		1,250	38.81	2.04		31.81
6.5	For All Loads up to 8000 kW (11.23 kV)		1,250	38.81	2.04		31.81
6.6	For Loads up to 8000 kW (11.23 kV & above)		1,250	38.81	2.04		31.81
6.7	Pre-Paid Bulk Supply Tariff		1,250	38.46	2.04		33.46

Where Fixed Charges are applicable Rs / kW / Month, the charge shall be billed based on 25% of maximum load or Actual MDI for the month which ever is higher.

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs / Unit / M	FOGZO CHARGES Rs / Unit / M	VARIABLE CHARGES Rs/kWh	PTA 2013		Total Variable Charge Rs / Unit
					A	B	
C-1	For supply at 400/330 Volts	2,000		30.87	2.04		33.81
C-1.1	Residential load less than 8 kW				30.87	2.04	30.87
C-1.2	Residential load 8 kW & up to 800 kW		1,250	37.37	2.04		39.30
C-1.3	For supply at 11.23 kV up to and including 8000 kW		1,250	38.10	2.04		38.14
C-1.4	For supply at 11.23 kV & above and maximum load above 8000 kW		1,250	38.33	2.04		37.33
C-2	Units Of Use				30.87	2.04	30.87
C-2.1	For supply at 400/330 Volts & up to 800 kW		1,250	31.45	2.04		33.45
C-2.2	For supply at 11.23 kV up to and including 8000 kW		1,250	31.43	2.04		31.43
C-2.3	For supply at 11.23 kV & above and maximum load above 8000 kW		1,250	32.03	2.04		32.03
C-3	Pre-Paid Bulk Supply Tariff		1,250	31.86	2.04		33.86

Where Fixed Charges are applicable Rs / kW / Month, the charge shall be billed based on 25% of maximum load or Actual MDI for the month which ever is higher.



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Sl. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGE		VARIABLE CHARGE		FTA 2013		Total Variable Charge	
		Rs / Cap / M <sup>2</sup>	Rs / kVA / M <sup>2</sup>	Rs / kVA	Rs / kWh	Rs / kWh	Rs / kWh	Rs / kWh	Rs / kWh
D-1(i)	SCADP less than 6 kVA Agricultural Two Wells	-	-	-	34.00	-	3.04	-	104.00
D-2 (i)	-	-	400	-	34.45	-	3.04	-	137.82
D-1(ii)	SCADP 6 kVA & above Agricultural 6 kVA & above	-	400	19.67	19.79	3.04	3.04	33.00	119.45
D-2 (ii)	-	-	400	34.28	34.95	3.04	3.04	36.23	127.62
D-2(iii)	SCADP 6 kVA & above	-	400	-	31.03	-	3.06	-	103.07

Under this tariff, there shall be no minimum or monthly charges. Rs.2000/- per unit will be charged per month, even if the energy is consumed. Note: The consumers having consumption load less than 5 KW can opt for TTD metering.

Sr. No.	TARIFF CATEGORY / PARTICIPANTS	FIXED CHARGES Rs. / Cess / M	FIXED CHARGES Rs. / Cess / M	VARIED CHARGES Rs/kWh	PTA 2011 Rs/kWh	Total Variable Charge Rs/kWh Excl. Cess
		A	B			
2-101	Residential Supply	2,000	2,000	22.83	2.04	37.83
2-110	Commercial Supply	8,000	8,000	24.35	2.04	36.40
2-111	Industrial Supply	8,000	8,000	24.21	2.04	34.25

125% of relevant industrial field

Dr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGE	VARIABLE CHARGE	PVA 2018	Total Variable Charge
		Rs / Month	Rs / kW / hr		Rs / kWh	Rs / Month
		A	B	C	D	E
01	Electricity	3,000	27.65		2,04	22.65

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES	PTA 2015	Total Variable Charges
		Rs / Case / H	Rs / Day / M		Rs / KWh	Rs / KWh
1	Industrial (2000 KVA & Above)	2,000.00	—	—	—	245.00

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cess / M	FIXED CHARGES Rs. / M <sup>2</sup> / M	VARIABLE CHARGES PER UNIT a) M <sup>2</sup> b) M <sup>3</sup>	TVA 2023		Total Variable Charges Rs. / M <sup>2</sup> / M <sup>3</sup>
		Rs.	Rs.		Rs.	Rs.	
3	Accred. Jeevan Prakashan (AJP)	-	3,240.00	22.03	2.04	2.04	34.31
	Three Phase	-	3,240.00	29.03	2.04	2.04	36.62

Note: The PVA 2725 columns should be tested after one (1) year of installation of the instant structure.

Walt G



Description	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Total
Units Purchased by DISCOs (kWh)	710	592	632	982	1,234	1,426	1,432	1,382	1,284	965	873	891	12,063
Fuel Cost Component	10,395	6,793	7,952	5,249	8,531	7,713	7,052	7,699	7,456	7,895	6,244	8,016	7,734
Variable Cost	0,382	0,296	0,352	0,371	0,475	0,430	0,429	0,389	0,396	0,249	0,319	0,321	0,392
Capex	19,4628	23,2677	18,5445	15,6949	12,9135	12,6879	12,6828	13,4337	16,6634	19,3734	19,8360	15,6055	
UseC	2,1223	2,5219	2,0285	2,6000	5,8317	1,69180	1,7871	1,8474	1,9034	2,0585	2,097	2,1816	1,9719
Total PFP in Rs. / kWh	34,8201	34,8201	28,5231	26,3165	23,6544	22,5587	21,9157	22,7670	23,4805	27,0263	27,9591	30,3554	25,7025

Fuel Cost Component	7,385	3,989	5,531	8,059	10,406	11,002	10,154	9,813	9,580	7,591	4,203	5,537	9,268
Variable Cost	278	176	244	365	589	676	577	535	503	410	203	472	
Capex	13,825	14,969	12,552	15,403	15,934	18,411	18,157	18,565	17,627	16,054	13,041	13,700	18,8243
UseC	3,508	1,934	1,403	1,154	2,250	2,707	2,573	2,553	2,444	2,054	1,360	1,507	2,787
Total PFP in Rs. Min	22,996	20,628	19,731	25,837	29,188	32,747	31,460	31,467	30,154	26,069	18,506	20,955	310,048

It is clarified that PFP is pass through for all DISCOs and its monthly references would continue to date irrespective of the financial year, unless the new SOT is revised and notified by the GoP.

*Q. Murtu.*



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

**GENERAL DEFINITIONS**

The Company, for the purposes of these terms and conditions means GEPCO engaged in the business of distribution/supply 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 31 days or less reckoned from the date of last meter reading. If, for any reason, the scheduled reading period of a consumer exceeds the number of days in a calendar month, the total consumption should be prorated to match the number of days in that calendar month for determining the applicable slab rate and same be used for actual billing purpose.
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 25% of the sanction load or Actual maximum demand recorded in a month, whichever is higher, except in the case of agriculture tariff D2 where "Billing Demand" shall mean the sanctioned load.

*Provided that for the purpose of fixed charges sanctioned load means maximum demand recorded during preceding 60 months.*

*Provided further that in case of new connections or consumers who have renewed/revised their sanctioned load, the fixed charges will be charged on 25% of the sanctioned load or actual maximum demand recorded in a month, whichever is higher. However, upon establishment of MDI in next six months, the adjustment of fixed charges will be made accordingly by the DISCO."*

*Provided also that consumers having alternate/ dual source i.e. captive power, net metering etc. the existing mechanism of fixed charges shall remain the same i.e. the 25% of the sanctioned load or actual maximum demand recorded in a month, whichever is higher.*

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.



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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>
Dec to Feb (inclusive)	5 PM to 9 PM	Remaining 20 hours of the day
Mar to May (inclusive)	6 PM to 10 PM	-do-
June to Aug (inclusive)	7 PM to 11 PM	-do-
Sept to Nov (inclusive)	6 PM to 10 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 5 kW and above supply shall be given at three-phase.
12. "Consumer" as defined in NEPRA Act.
13. "Charitable Institution" means an institution, which works for the general welfare of the public on no profit basis and is registered with the Federal or Provincial Government as such and has been issued tax exemption certificate by Federal Board of Revenue (FBR).
14. NTDC means the National Transmission and Despatch Company.
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.

#### GENERAL CONDITIONS

1. "The Company shall render bills to the consumers on a monthly basis or less on the specific request of a consumer for payment by the due date.
2. The Company shall ensure that bills are delivered to consumers at least seven days before the due date. If any bill is not paid by the consumer in full within the due date, a Late Payment Surcharge (LPS) of 5% may be levied for next three (03) days after the due date and thereafter 10% LPS may be charged on the amount billed excluding Govt. taxes 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 7<sup>th</sup> 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.

The lifeline consumers to include residential Non-Time of Use (Non-ToU) consumers having maximum of last twelve months and current month's consumption  $\leq$  100 units; two rates for  $\leq$  50 and  $\leq$  100 units will continue.

"Protected consumers" mean Non-ToU residential consumers consuming  $\leq$  200 kWh per month consistently for the past 6 months.

Residential Non-ToU consumers not falling under the protected category would be categorized under "Un-protected consumer category".

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/Flower Nurseries/Cold Storage
  - ii) Hotels, Hostels and Restaurants,
  - iii) Petrol Pumps and Service Stations,
  - iv) Compressed Natural Gas filling stations,
  - v) Private Hospitals/Clinics/Dispensaries,
  - vi) Places of Entertainment, Cinemas, Theaters, Clubs;
  - vii) Guest Houses/Rest Houses,
  - viii) Office of Lawyers, Solicitors, Law Associates and Consultants etc.
  - ix) Electric Vehicle Charging Stations (EVCS)
2. Electric Vehicle Charging Stations shall be billed under A-2(d) tariff i.e. Rs./kWh for peak and off-peak hours. For the time being, the tariff design is with zero fixed



charges, however, in future the Authority after considering the ground situation may design its tariff structure on two part basis i.e. fixed charges and variable charges.

3. The Electric Vehicle Charging Station shall provide "charging service" to Electric Vehicle shall provide charging service to Electric Vehicles as per the applicable tariff for EVCS category, plus margin, to be determined by the market forces itself. The EVCS shall be billed by DISCOS under A-2(d) tariff. However, monthly FCAs either positive or negative shall not be applicable on EVCS.
4. 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)
5. 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).
6. The existing and prospective consumers having load of 5 kW and above shall be provided T.O.U metering arrangement 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 other than those meant for the irrigation or reclamation of Agriculture land.

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 inside the premises 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, fish farms, fish nurseries & 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 upto 25 kW.
2. Consumers having sanctioned load upto 25 kW shall be billed on single-part kWh rate.
3. Consumers under tariff B-1 having sanctioned load of less than 5 kW shall be billed under a Single-Part kWh rate. However, B-1 consumers having sanctioned load of less than 5 kW may opt for ToU meter
4. The existing and prospective consumers having load of 5 kW and above shall be provided T.O.U metering arrangement and shall be billed under tariff B1(b).

#### **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 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 5 MW and also for Industries having sanctioned load of 500 kW or below who opt for receiving supply at 11 kV or 33 kV.
2. The consumers may be allowed extension of load beyond 5MW upto 7.5MW from the DISCO's owned grid station subject to availability of load in the grid and capacity in the 11kV existing dedicated feeder. In such a case the consumer will bear 100% grid sharing charges including transmission line charges and 100% cost of land proportionate to load. 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.
3. 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.



4. 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 Eligibility Criteria laid down by the Authority read with Consumer Service Manual (CSM).
5. All B-3 Industrial Consumers shall be billed on the basis of T.O.U tariff given in the Schedule of Tariff.

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

1. This tariff is applicable for supply to Industries for all loads of more than 5MW receiving supply at 66 kV, 132 kV and above and also for Industries having load of 5MW or below who opt to receive supply at 66 kV or 132 kV and above.
2. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.
3. If the Grid Station required for provision of supply falls within the purview of the dedicated system under the Eligibility Criteria laid down by the Authority read with CSM, 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 Eligibility Criteria laid down by the Authority read with CSM.
4. All B-4 Industrial Consumers shall be billed on the basis of two-part T.O.U tariff.

#### C BULK SUPPLY

"Bulk Supply" for the purpose of this Tariff, means the supply given at one point for self-consumption to mix-load consumer 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



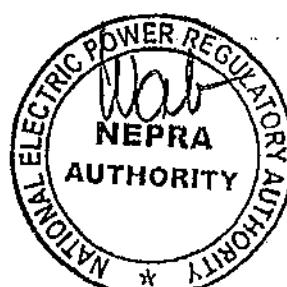
1. This Tariff is applicable to a consumer having a metering arrangement at 400 volts, having sanctioned load of up to and including 500 kW.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. C-I(a) tariff.
3. All new consumers having sanctioned load 5 kW 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.

#### 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 more than 500 kW up to and including 5 MW.
2. The consumers may be allowed extension of load beyond 5MW upto 7.5MW from the DISCO's owned grid station subject to availability of load in the grid and capacity in the 11kV existing dedicated feeder. In such a case the consumer will bear 100% grid sharing charges including transmission line charges and 100% cost of land proportionate to load. However, only such consumers be allowed extension of load beyond 5MW upto 7.5MW whose connection is at least three (3) years old. 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.
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 Eligibility Criteria laid down by the Authority read with CSM.
4. 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.
5. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to C-2(b).

#### C-3 SUPPLY AT 66 kV AND ABOVE

1. This tariff is applicable to consumers having sanctioned load of more than 5000 kW receiving supply at 66 kV and above.
2. If the Grid Station required for provision of supply falls within the purview of the dedicated system under the Eligibility Criteria laid down by the Authority read with CSM, 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 Eligibility Criteria laid down by the Authority read with CSM.

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

#### **D AGRICULTURAL SUPPLY**

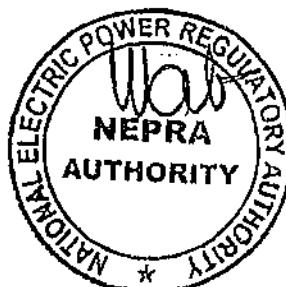
"Agricultural Supply" means the supply for Lift Irrigation Pumps and/or pumps installed on Tube-wells intended solely for irrigation or reclamation of agricultural land or forests, and include supply for lighting of the tube-well chamber.

##### **Special Conditions of Supply**

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

##### **D-1**

1. This tariff is applicable to all Reclamation and Drainage Operation pumping under SCARP related installation.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. D-1(a) tariff given in the Schedule of Tariff.
3. All new consumers having sanctioned load 5 kW and above shall be provided TOU metering arrangement and shall be charged on the basis of Time-of- Use (T.O.U) tariff D-1(b) given in the Schedule of Tariff.



4. 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(a) till that time.

#### D-2

1. This tariff is applicable to consumers falling under Agriculture Supply excluding SCARP related installations.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. D-2(a) tariff given in the Schedule of Tariff.
3. 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(b) given in the Schedule of Tariff.
4. 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-2(a) 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, exhibitions, political gathering, marriages and other civil or military functions. This also includes supply to touring cinemas and persons engaged in construction of house/buildings/plazas of single phase loads. A temporary electric power supply connection for the construction shall be provided by Distribution company initially for a period of six months which is further extendable on three month basis up to completion of the specific job/project for which the temporary connection was obtained. However, there is no minimum time period for provision of temporary connection. The temporary connection for illumination, lighting, weddings, festivals, functions, exhibitions, political gatherings or national and religious ceremonies, civil or military functions etc., testing of industrial equipment or any other emergent requirement of temporary nature, can be provided for specific time period not exceeding two weeks. The sanctioning officer shall ensure that the temporary connection will be utilized for temporary purpose only.

##### 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.

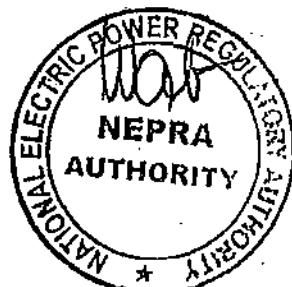
##### **Definitions**

"Year" means any period comprising twelve consecutive months.

1. 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. The supply under this tariff shall also be applicable for lamps used in public playgrounds and public parks.

##### **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.

#### **TARCTION**

Supply under this tariff means supply of power in bulk to Railways for Railway Traction only.



## ANNEX - VI



Mark, J.

ANNEX - VI



Math. 7

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ANNEX - VI

ANNEX - VI

Math, 9



ANNEX-VI

Annuity Type: Type of PVA		Period	
Period		1	1.00
1st Year		2	0.90
2nd Year		3	0.82
3rd Year		4	0.75
4th Year		5	0.69
5th Year		6	0.64
6th Year		7	0.59
7th Year		8	0.55
8th Year		9	0.51
9th Year		10	0.47
10th Year		11	0.44
11th Year		12	0.41
12th Year		13	0.38
13th Year		14	0.35
14th Year		15	0.33
15th Year		16	0.31
16th Year		17	0.29
17th Year		18	0.27
18th Year		19	0.25
19th Year		20	0.23
20th Year		21	0.21
21st Year		22	0.19
22nd Year		23	0.17
23rd Year		24	0.15
24th Year		25	0.14
25th Year		26	0.13
26th Year		27	0.12
27th Year		28	0.11
28th Year		29	0.10
29th Year		30	0.09
30th Year		31	0.08
31st Year		32	0.07
32nd Year		33	0.06
33rd Year		34	0.05
34th Year		35	0.05
35th Year		36	0.04
36th Year		37	0.04
37th Year		38	0.03
38th Year		39	0.03
39th Year		40	0.03
40th Year		41	0.02
41st Year		42	0.02
42nd Year		43	0.02
43rd Year		44	0.02
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351st Year			



Maths

Wasim Anwar Bhinder  
Registrar-1  
Wednesday, 14 January, 2026, 12:058 PM



# National Electric Power Regulatory Authority

## Islamic Republic of Pakistan

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Web: [www.nepra.org.pk](http://www.nepra.org.pk), E-mail: [registrar@nepra.org.pk](mailto:registrar@nepra.org.pk)

No. NEPRA/R/ADG(Tariff)/TRF-100/CPPAG/473-76

January 07, 2026

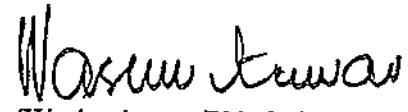
Subject: Decision of the Authority in the matter of request filed by Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) for Approval of Power Purchase Price Forecast for the CY 2026 i.e. January 2026 to December 2026

Dear Sir,

Please find enclosed herewith the subject Determination of the Authority alongwith Annexure I, II & III (total 33 Pages) in the matter of Petition filed by Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) for Approval of Power Purchase Price Forecast for the CY 2026 i.e. January 2026 to December 2026.

2. The instant Decision of the Authority alongwith Annex I, II & III attached to the Decision, is intimated to the Federal Government for filing of uniform tariff application in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997. The instant Decision alongwith Annex-I, II & III attached with the Decision be also notified in terms of Section 31 of the NEPRA Act, while notifying the uniform tariff application decision of the Authority.

Enclosure: As above



(Wasim Anwar Bhinder)

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

Copy to:

1. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad
2. Mr. Shehriyar Abbasi, Deputy Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad



6. The Ministry of Energy (Power Division) (MoE-PD) vide letter dated 18.08.2025, submitted that the Authority determines the consumer-end tariff for XWDISCOs and K-Electric in accordance with Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the NEPRA Act), read with Rule 17 of the NEPRA (Tariff Standards and Procedure) Rules, 1998 and the uniform rebased tariff, once determined by the Authority, is notified by the Federal Government under Section 31(7) of the NEPRA Act. It was further submitted that the latest rebasing was notified on July 1, 2025. In accordance with the NEPRA (Tariff Standards and Procedure) Rules, 1998 read with Part 5 of the NEPRA Determination of Consumer-end Tariff (Methodology & Process) Guidelines, 2015, the Distribution Companies (DISCOs) are required to initiate the tariff determination process by submitting their minimum filing requirements by January 31<sup>st</sup> of each year. The submission is followed by internal deliberation by the Authority, public hearing, tariff determination and subsequent notification by the Federal Government. In view of the established tariff determination cycle recent annual tariff determinations, the rebasing of consumer-end tariff is notified by the Federal Government in the month of July, with effect from 1<sup>st</sup> July each year.
7. The Ministry further submitted that, in practice, the incidence of higher (FCAs) and annual tariff rebasing coinciding during the summer months results in elevated electricity bills owing to increased seasonal consumption, which, according to the Ministry, has implications for consumer affordability. It was contended that such impacted could be moderated if the timing of annual rebasing is aligned with periods of relatively lower electricity consumption, such as winters months, thereby enabling smoother absorption of tariff variations and contributing greater stability in consumer bills over the year. Strategic Directive 8 of the National Electricity Plan (NE Plan), which envisages, that the Regulator shall also revisit the "Guidelines for Determination of Consumer End Tariff (Methodology and Process), 2015" to enable alignment of regulatory proceedings for planning activities and schedule of rate case and tariff determinations.
8. The MoE submitted that the Federal Cabinet has approved issuance of policy guidelines for consideration by the Authority, with a view to revisiting the annual tariff determination process timelines through amendments to the relevant legal and regulatory framework, so as to enable notification of the rebased tariff with effect from 1<sup>st</sup> January, each year, following completion of all the requisite regulatory proceedings. In this regard, it is highlighted that the Authority has already determined (PPP) references up to June 2026 and that projections for the remaining period would be shared subsequently.
9. In light of above and in exercise of its powers under Section 31 of the NEPRA Act, the Federal Government issued the following policy guidelines for implementation by NEPRA;  
*"NEPRA shall revise the annual tariff determination process timelines by amending the relevant legal and regulatory framework (guidelines, rules and procedures) to ensure that annual rebasing is notified with effect from January 1<sup>st</sup> of each year, after completion of all regulatory proceedings."*
10. Pursuant to the above, and in order to give effect to the rebasing w.e.f. January 2026, CPPA-G was directed vide letter dated 07.10.2025 to submit the (PPP) forecast for Calendar Year (CY) 2026 (January–December 2026)

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14. Considering that the PPP constitutes a substantial component of the consumer end tariff, the Authority, in order to ensure transparency and afford an opportunity of hearing to all the stakeholders, decided to conduct a public hearing in the matter. Accordingly, a public hearing was held on 18.11.2025 at NEPRA Tower Islamabad. Notice of the public hearing was published in the National Dailies on 12.11.2025, inviting comments and objections from the interested/ affected parties. In addition, individual notices were issued to the Petitioner and other relevant stakeholders. The following issues were framed for deliberation during the public hearing:
- a. What is the basis of demand forecast for DISCOs under different scenarios?
  - b. What is basis for set of assumptions considered for projecting power purchase prices?
  - c. Which is the optimal achievable power purchase price scenario for rebasing of consumer end tariff for the period from January to December 2026, in order to minimize the future FCA and quarterly adjustments?
  - d. What methodology has been adopted for allocation of generation (GWh) to DISCOs along with power purchase price cost?
15. The hearing was held as per the schedule, wherein the Petitioner was represented by the CEO CPPA-G, along-with its technical and financial teams. The hearing was also attended by representatives of the Ministry of Energy (MoE), including the Additional Secretary, MD PPMC, ISMO, NGC, as well as other stakeholders, members of the general public and representatives of the media.
16. CPPA-G presented its case before the Authority and submitted that, in light of the policy guidelines approved by the Federal Cabinet, the annual rebasing of DISCO's/SOLR is proposed to be aligned with Calendar year instead of Fiscal year. Consequently, the Authority, vide dated 7<sup>th</sup> October 2025 directed CPPA-G to submit the Power Purchase Price Report in consultation with relevant stakeholders including NGC and ISMO. CPPA-G submitted that, following internal deliberations and consultation with the relevant stakeholders, it prepared and submitted the PPP forecast report for consideration of the Authority.
17. The following synopsis of PPP forecast for CY 2026 was presented by CPPA-G:

Scenario	Demand	Exchange Rate	Hydrology	Fuel Prices	PPP
1	Normal (1%)	290/300	Normal	Normal	25.95
2	Normal	300/310	Normal	Normal	26.53
3	High (2.5%)	290/300	Normal	Normal	25.73
4	Normal	290/300	Normal	High (+5%)	26.2
5	Normal	290/300	Normal	Low (-5%)	25.69





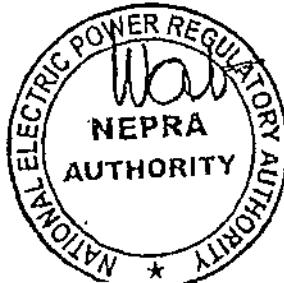
19.3. The demand forecast for DISCOs has been developed based on macroeconomic projections and historical electricity consumption trends. Based on historical elasticity estimates and GDP projections by IMF, economic growth is expected to result in a corresponding increase in electricity demand, ranging from 1% to 2.5%. These projections form the basis for the normal and high demand scenarios used in this analysis. The detailed demand assumptions for XW-DISCOs and K-Electric are presented in the tables below:

Demand Assumptions - XW-DISCO		
Months	Demand 132 KV Level (GWh)	
	Normal	High
Jan-26	7,014	7,118
Feb-26	5,903	5,990
Mar-26	7,203	7,310
Apr-26	9,270	9,408
May-26	11,517	11,688
Jun-26	12,630	12,817
Jul-26	12,809	12,999
Aug-26	12,799	12,989
Sept-26	11,499	11,669
Oct-26	9,281	9,419
Nov-26	6,816	6,917
Dec-26	6,843	6,945

Demand Assumptions - K-Electric		
Months	Demand (132 KV Level)	
	Normal	High
Jan-26	758	777
Feb-26	732	751
Mar-26	966	990
Apr-26	950	974
May-26	1,072	1,098
Jun-26	1,184	1,214
Jul-26	1,265	1,296
Aug-26	1,265	1,296
Sept-26	1,224	1,255
Oct-26	1,079	1,106
Nov-26	967	992
Dec-26	777	797

19.4. CPPA-G presented the following demand trends for the last two years, based on which it has assumed a growth of 1% in the instant PPP forecast:



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20.3. During the hearing, CPPA-G explained that indent (water release) forecasts are inherently uncertain and, therefore, cannot be predicted with precision. In view of such variability, CPPA-G submitted that the adoption of extreme hydrology assumption may not be prudent for the purposes of PPP forecasting. Furthermore, the Indus River System Authority (IRSA), in its letter to ISMO dated 26 November 2025, has reiterated that reservoir operations are governed by clause 14(c) of the Water Apportionment Accord, 1991. As per the said framework, reservoir releases are prioritized to meet provincial irrigation requirements and are determined by provincial indents, prevailing meteorological conditions, and observed gains/losses along river reaches.

Fuel Prices

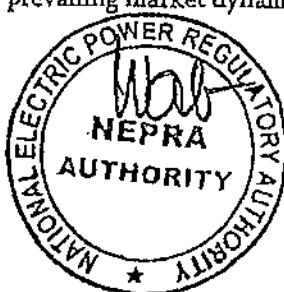
20.4. With regards to the fuel prices, CPPA-G submitted that fuel costs constitute a significant driver of the fuel cost component within the (PPP). Accordingly, the forecast incorporates assumptions for normal fuel prices, based on reputable data sources to ensure accuracy and relevance. For imported fuels, price assumptions are based on market data published by Argus Media and Platts, whereas local fuel prices are informed by inputs from OGRA, NEPRA, and TCEB. These assumptions are detailed below:

Years	Gas	Brent	Fuel Price Assumptions							
			Imp Coal	Imp Coal	Imp Coal	Thar Coal	RFO	Bagasse	HSD	
			API-4	ICI-3	ICI-4					
Jan-26	1,225	67	84.6	58	30.7	18.6	461	5209	276.81	
Feb-26	1,225	67	84.6	58	30.7	18.6	461	5209	276.81	
Mar-26	1,225	67	84.6	58	30.7	18.6	461	5209	276.81	
Apr-26	1,225	67	84.6	58	30.7	18.6	461	5209	276.81	
May-26	1,225	67	84.6	58	30.7	18.6	461	5209	276.81	
Jun-26	1,225	67	84.6	58	30.7	18.6	461	5209	276.81	
Jul-26	1,225	67	84.6	58	30.7	18.6	461	5470	276.81	
Aug-26	1,225	67	84.6	58	30.7	18.6	461	5470	276.81	
Sept-26	1,225	67	84.6	58	30.7	18.6	461	5470	276.81	
Oct-26	1,225	67	84.6	58	30.7	18.6	461	5470	276.81	
Nov-26	1,225	67	84.6	58	30.7	18.6	461	5470	276.81	
Dec-26	1,225	67	84.6	58	30.7	18.6	461	5470	276.81	

20.5. Additionally, for the assessment of PPP references under high fuel price scenario, a 5% escalation in fuel prices, including imported coal, RLNG, and RFO, above the baseline assumptions has been incorporated into the analysis. The scenario with low fuel prices takes into account a 5% reduction in the fuel price during the horizon.

Econometric Parameters

20.6. With respect to key macroeconomic parameters, projections have been developed for, inter alia, SOFR, KIBOR, U.S. inflation, and domestic inflation. The inflation data for the United States and Pakistan has been sourced from the IMF's World Economic Outlook report. To estimate KIBOR and SOFR, appropriate spreads have been applied in line with historical trends and prevailing market dynamics.



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Other Assumptions:

20.12. CPPA-G submitted that the following additional assumptions have been applied in the preparation of PPP references for CY 2026.

- HVDC+AC Corridor Transfer Capability: Transfer limits are set at 3,200 MW for Winter (January & February), 3,600 MW for Winter (November & December), and 5,000 MW for Summer 2026 (following the commissioning of Lahore North), as per the Normal Operation arrangement of the SCS Strategy Table provided by M/s NARI.
- RLNG Offtake: The mandatory 50% offtake under contractual obligations for RLNG has been assumed in this dispatch plan.
- RLNG and RFO Projections: These are based on assumed demand scenarios. However, actual fuel demand may vary depending on real-time system conditions and will be managed in accordance with prevailing contractual agreements.
- Renewable Energy Generation: Assumed based on the previous year's energy profile.
- Imports and Other Sources: Import from Iran has been considered in the overall assessment. However, generation from net metering has not been included in the analysis to the extent of incremental additions during January to December 2026.
- Fuel Source Assumptions: HSRPEL, PQEPC, CPHGCL, JPCL, and LEPCL are assumed to operate exclusively on imported coal.
- Future Projects: Incorporated based on the best available technical assessments and information. However, actual dispatch may differ in response to prevailing system conditions.

20.13. CPPA-G submitted that they have considered various national and international reports to determine the assumptions used in the setting of reference (PPP).

20.14. Based on the aforementioned assumptions, CPPA-G presented the following five scenarios of PPP forecast for CY 2026:

		Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Sold to DISCOS	GWh	125,822	125,822	127,815	125,822	125,822
Fuel Cost	Mln Rs	999,469	1,024,504	1,023,006	1,031,652	967,286
	Rs./kWh	7.94	8.14	8.00	8.20	7.69
Variable O&M	Mln Rs	50,106	51,001	51,245	50,106	50,106
	Rs./kWh	0.40	0.41	0.40	0.40	0.40
Capacity Charges	Mln Rs	1,974,602	2,022,158	1,974,602	1,974,602	1,974,602
	Rs./kWh	15.69	16.07	15.45	15.69	15.69
Power Purchase Price (Exc. Trans.)	Mln Rs	3,024,177	3,097,663	3,048,859	3,056,360	2,991,994
	Rs./kWh	24.04	24.62	23.85	24.29	23.78
Transmission + MOF Charges	Rs./kWh	1.91	1.91	1.83	1.91	1.91
Total Power Purchase Price	Rs./kWh	25.95	26.53	25.73	25.20	25.69



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22. What methodology has been adopted for allocation of generation (GWhs) to DISCOs along with power purchase price cost?
- 22.1. CPPA-G submitted that, the actual monthly consumption pattern of DISCO's at the 132kV level, as observed during the immediately preceding period, has been maintained across all the scenarios. The Authority in its determination for SPA registration has mentioned the allocation of capacity on the basis of coincidental MDI initially, prior to transition to allocation factors. CPPA-G submitted that the implementation of the said mechanism remains contingent upon the Authority's determination in the matter of petition filed by NGC and accordingly, the actual allocation trends would be available once the MSP (NGC) would start providing data in accordance with the determination.
- 22.2. In view of the above, the allocation of CPP to DISCOs continue on non-coincidental basis. For this, the latest MDI data for the CY 2025 have been used for allocation of CPP among DISCOs. During hearing, no DISCO objected either to the criteria or the proposed quantum of energy allocated to each DISCO by CPPA-G.
23. Various stakeholders submitted their comments in the matter. A summary of relevant comments is as under:
- ✓ Mr. Rehan Javed, a commentator, expressed reservations regarding the accuracy and reliability of the data presented by CPPA-G. He submitted that, during the recent quarterly adjustment hearing for XWDISCOs for the first quarter of FY 2025-26, the actual demand reported was lower than CPPA-G's projections. According to him, this outcome reinforces their earlier submissions during the FY 2025-26 rebasing proceedings, which he asserted were more reflective of ground realities.
  - ✓ He further highlighted the absence of accurate and consolidated data on behind-the-meter solarization across Pakistan, noting that this gap undermines the credibility of demand forecasts. Mr. Rehan also raised concerns that rapid advancements in battery storage technology could accelerate consumer migration away from the national grid if tariffs are not rationalized. Additionally, he inquired about the rationale for the B2 industrial tariff being lower than the B3 industrial tariff.
  - ✓ Mr. Tanveer Barry, a commentator, noted that according to CPPA-G's submissions, the lowest projected Power Purchase Price (PPP) for CY 2026 is Rs.25.69/kWh, while the highest stands at Rs.26.53/kWh. He questioned why no further reduction in PPP is observed, particularly when the Federal Government has recently renegotiated and terminated several IPP contracts. In response, CPPA-G clarified that the impact of these renegotiations had already been incorporated during the previous rebasing, wherein the PPP decreased from Rs.27.00/kWh in FY 2024-25 to Rs.25.98/kWh in FY 2025-26.
  - ✓ Mr. Barry further submitted that electricity demand is unlikely to increase in the future due to high tariffs, increasing consumer shift toward solar solutions, and the continued closure of industrial units.
  - ✓ Mr. Aamir Sheikh, a commentator, submitted that in the previous rebasing exercise, an exchange rate of PKR 290/USD had been used, as it aligned with the rate incorporated in the Federal Government's annual budget. He requested that the



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28. The Authority notes that vide its decision dated 23.06.2025, a demand growth assumption of 2.8% has been approved for the period up to June 2026. However, based on the actual data reported up to October 2025, the Authority observes that the projected growth has not materialized to the extent previously anticipated, indicating the need to rationalize the growth assumption used in the PPP forecast. Further, the Authority, vide decision dated 09.12.2025, also approved the incremental consumption package for industrial and agricultural consumers which may also stimulate electricity demand.
29. In view of the foregoing and for the purposes of projecting the PPP for CY 2026, the Authority considers the demand growth of 1% as projected by CPPA-G, to be reasonable for the present determination.
30. The Authority observes that other critical factor that impacts electricity prices is the exchange rate parity. Pakistan's power sector costs are generally tied with dollar indexation, and any change in exchange rate parity directly impacts the energy and capacity charges of generation segment, which constitute over 85% of the total cost of power sector. With devaluation of PKR against U.S. dollar, cost in local currency increases, potentially leading to higher electricity prices for consumers, therefore, accurate assessment of PKR/ USD as far as possible, is one of the most crucial elements of PPP forecast.
31. CPPA-G presented multiple exchange rate scenarios in its PPP projections, ranging between Rs.290/USD to Rs.300/USD and Rs.300/USD to Rs.310/USD, based on historical trends and forward-looking assumptions. While such analysis provides useful sensitivity, however, reliance on higher exchange rate assumptions also carries the risk of embedding unnecessary upfront conservatism in the tariff, which can be avoided by making a more rationale projection. CPPA-G also vide email dated 06.01.2026, realized this fact and submitted revised PPP projection under Scenario-1 by revisiting the exchange rate forecast as well as KIBOR.
32. In view of the foregoing, and considering the need to balance tariff stability, consumer affordability, and macroeconomic realism, the Authority has decided to opt the revised exchange rate forecast submitted by CPPA-G ranging from Rs.282/USD to Rs.285/USD for the CY 2026. Although, this would avoid unnecessary upfront burdening of the consumers, however, in case of any volatility in exchange rate beyond projections, the same would be catered through periodic adjustments.
33. Regarding fuel prices for both imported as well as local fuels, the Authority considers the projections made by CPPA-G under normal fuel price scenario are satisfactory, keeping in view the reports and data relied upon by CPPA-G, while making such projections.
34. For other economic parameters i.e. LIBOR, US inflation and PAK inflation, the Authority considers the projections made by CPPA-G for the CY 2026, as reasonable. However, for KIBOR, the Authority keeping in view the recent reduction in policy rate by the SBP and revised submissions of CPPA-G, has decided to account for KIBOR @ 10.70% from Jan. to June 2026 and 10.50% from Jul. to Dec. 2026.
35. In view of the discussion made in the preceding paragraphs, the assumptions and source wise estimated/projected generation along-with estimated cost of electricity generation for the CY 2026 is approved as under;



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around 32% of the total projected PPP. The National Average Power Purchase Price (NAPPP) works out as Rs.25.32/kWh and the National Average Energy Purchase Price (NAEPP) works out as Rs.8.13/kWh. The generation cost is transferred to the DISCOs as per the prescribed mechanism.

37. DISCOs wise PPP for CY 2026 is as under;

Description	KWhs												Average
	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	
M&I	FESCO	3,070	2,980	2,896	3,023	3,073	3,016	3,744	3,834	3,683	3,524	3,734	3,152
	GEPCO	2,077	2,059	2,113	2,095	3,114	3,120	3,544	3,518	3,167	2,775	3,813	2,076
	HESCO	1,764	1,218	1,659	1,545	3,093	3,415	1,654	1,500	1,715	1,761	1,512	1,415
	SEPCO	565	513	562	1,179	1,011	1,202	1,243	1,262	1,143	924	723	549
	LESO	2,240	1,771	1,671	2,351	2,231	3,142	2,720	2,795	2,745	2,334	1,645	2,201
	LESCO	4,022	3,451	4,427	5,847	6,745	6,757	6,733	6,394	6,320	5,492	4,329	4,224
	NEPCO	1,811	3,723	3,458	4,652	5,184	5,316	5,352	5,019	5,370	4,517	4,318	2,793
	PESCO	2,191	1,917	2,452	1,907	1,078	1,818	2,623	2,476	2,102	2,046	1,910	2,295
	TESCO	641	618	667	515	550	391	492	503	543	558	596	648
	HAZCO	350	523	611	512	575	657	678	611	655	537	515	583
	QESCO	1,218	1,394	1,109	1,454	1,725	1,155	1,332	1,137	1,371	1,411	1,411	1,328
	Sub-Total	21,712	19,612	22,057	25,192	29,317	30,728	30,164	29,045	29,125	25,734	20,812	21,513
	K-Electric	9,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050
	Total	32,762	21,652	24,117	28,241	31,162	32,778	32,234	31,096	31,175	27,784	22,862	23,513

Description	in Crores of Rupees												Total
	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	
Fuel Cost Component	FESCO	9,349	5,284	8,170	11,146	13,940	13,592	12,709	12,215	11,704	10,434	5,429	7,117
	GEPCO	7,345	3,989	5,531	8,099	10,405	11,002	10,154	9,813	9,583	7,591	4,203	5,537
	HESCO	2,687	1,678	3,253	4,112	5,101	4,695	4,554	4,162	3,834	3,936	2,205	4,232
	SEPCO	1,147	3,018	1,744	2,663	3,673	3,517	3,523	3,456	3,413	2,944	1,481	1,426
	LESO	5,063	4,645	5,474	7,640	10,162	11,231	16,191	9,697	9,253	7,240	4,450	6,793
	TESCO	16,181	8,698	12,577	17,546	22,591	21,801	20,229	20,912	19,250	16,854	9,440	17,043
	NEPCO	9,463	5,209	9,018	13,561	16,816	16,529	15,165	15,532	14,457	12,161	6,482	14,273
	LESCO	8,793	4,216	5,511	5,848	7,731	8,311	8,515	8,535	7,427	5,700	3,988	6,127
	HAZCO	1,542	879	1,160	995	1,036	507	441	843	875	969	818	1,183
	QESCO	2,612	1,407	1,743	2,360	2,241	2,611	2,047	2,025	2,345	1,600	1,240	2,106
	TESCO	4,362	2,450	3,316	2,964	3,243	3,086	3,422	2,521	3,233	3,281	2,333	3,250
	Sub-Total	72,909	39,746	57,592	76,476	97,107	97,422	90,851	90,667	85,778	73,039	42,558	54,858
	K-Electric	7,877	4,912	7,720	7,845	8,035	9,117	8,971	8,920	9,131	8,490	6,041	6,213
	Total	80,786	44,678	65,312	84,316	106,144	105,518	98,812	99,847	94,906	81,529	48,599	61,001

Description	in Crores of Rupees												Total
	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	
Variable O&M Component	FESCO	352	233	358	502	790	774	722	727	615	563	282	245
	GEPCO	278	176	214	365	558	626	577	516	503	410	211	222
	HESCO	101	74	244	165	233	267	259	227	201	213	107	84
	SEPCO	73	45	79	120	194	265	200	189	178	159	71	57
	LESO	341	205	241	344	541	633	579	541	485	391	215	272
	TESCO	602	343	555	791	1,240	1,243	1,155	1,145	1,011	910	455	411
	NEPCO	256	230	399	611	931	941	881	889	760	657	313	250
	PLSCO	313	356	243	265	434	474	434	462	390	304	193	4,010
	TESCO	60	39	52	45	59	52	48	46	46	52	41	518
	HAZCO	98	62	72	84	135	150	115	111	123	97	61	77
	QESCO	164	109	148	124	186	176	160	118	170	173	115	134
	Sub-Total	2,784	1,731	2,562	3,443	5,501	5,544	5,160	4,966	4,503	3,944	2,058	4,436
	K-Electric	296	217	311	353	512	520	518	491	473	458	292	4,719
	Total	3,040	2,959	2,881	3,801	6,012	6,064	5,670	5,457	5,402	4,402	2,310	2,447

Description	in Crores of Rupees												Total
	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	
Capacity Charge	FESCO	70,431	21,670	18,666	19,385	19,617	19,228	19,189	20,237	18,155	20,187	29,453	20,359
	GEPCO	12,025	14,969	12,551	15,409	15,934	18,411	18,157	18,655	17,627	16,054	13,611	19,700
	HESCO	5,050	9,003	10,819	9,029	10,506	8,367	8,422	7,918	8,274	10,150	11,013	9,316
	SEPCO	3,768	3,723	6,245	6,715	5,533	5,935	6,369	6,556	6,007	5,315	5,075	3,676
	LESO	16,904	12,678	10,652	13,339	14,437	15,512	15,210	14,750	14,184	12,367	11,453	14,522
	TESCO	37,760	28,058	28,741	33,308	34,572	33,107	34,493	33,692	32,612	31,721	30,139	38,769
	NEPCO	18,919	15,798	22,452	26,543	26,527	26,433	27,413	25,990	27,061	26,193	22,935	18,676
	PESCO	14,556	13,943	15,246	18,652	19,322	12,372	13,176	13,057	13,124	11,923	13,370	15,187
	TESCO	4,266	4,619	4,338	3,980	2,814	2,870	2,522	2,687	2,843	3,229	4,147	4,276
	HAZCO	3,261	3,856	4,161	3,939	2,702	3,245	3,216	3,227	3,473	3,109	3,538	4,251
	QESCO	6,169	10,141	8,501	8,285	6,782	5,704	6,210	6,002	7,173	8,278	9,826	9,900
	Sub-Total	144,513	241,632	243,255	149,198	150,002	151,688	154,524	153,222	152,453	145,871	145,043	277,453
	K-Electric	33,645	14,502	12,209	11,577	10,491	10,120	10,502	10,819	10,731	11,459	14,473	13,529
	Total	156,151	257,548	156,525	160,451	161,377	163,025	164,111	163,181	160,730	159,216	155,591	1,923,316

Wednesday, 28th September 2022  
NEDRA





Description	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Total
Units Purchased by DISCos (GWh)	7,771	6,635	8,159	10,220	12,559	13,834	14,073	14,063	12,723	10,360	7,783	7,621	125,822
Fuel Cost Component	10,3954	6,7337	7,9952	8,2498	8,4315	7,7338	7,0929	7,0598	7,4596	7,8695	6,2424	8,0165	7,7375
Variable O&M	0,3912	0,2957	0,3527	0,3719	0,4775	0,4390	0,4029	0,3880	0,3915	0,4249	0,3019	0,3211	0,3900
Capacity	20,3515	23,7442	19,1671	15,7405	12,7487	11,7132	11,7250	11,6694	12,8262	15,5146	20,4681	20,4052	15,2600
UoSC	2,2195	2,3689	2,1429	2,0058	1,8083	1,7223	1,6615	1,6050	1,7786	1,9467	2,1340	2,2444	1,9075
Total PPP in Rs. / kWh	33,3575	33,1445	29,6579	26,3581	23,4651	21,5983	20,8833	20,7623	22,4560	25,7558	29,1450	30,9871	25,3213

Description	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Total
Fuel Cost Component	80,786	44,678	65,342	84,316	106,144	106,558	99,822	99,847	94,906	81,529	48,559	61,091	973,568
Variable O&M	3,040	1,969	2,881	3,801	6,012	6,064	5,670	5,457	4,982	4,402	2,350	2,447	45,075
Capacity	158,4538	157,541	156,575	160,875	160,493	161,807	165,025	164,111	163,183	160,750	159,316	155,501	1,323,316
UoSC	17,748	15,724	17,506	20,500	22,765	23,793	23,588	22,572	22,629	20,167	16,659	17,104	240,000
Total PPP in Rs. Min	259,232	219,912	242,273	259,492	295,413	298,222	293,900	291,987	285,701	266,829	226,874	236,143	3,085,979

It is clarified that PPPs pass through for all DISCos and its monthly references would continue to exist irrespective of the financial year, unless the new SOT is revised and notified by the GoP.

MoA Q





Description	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Total
Units Purchased by DISCOs (Gwh)	758	732	965	950	1,072	1,184	1,265	1,265	1,224	1,079	967	777	12,239
Fuel Cost Component													
Variable O&M	10,3954	6,7337	7,9952	8,2498	8,4315	7,7138	7,0929	7,0929	7,4596	7,8696	6,2441	8,0155	77,516
Capacity	0,3912	0,2967	0,3527	0,3719	0,4275	0,4390	0,4029	0,3680	0,3916	0,4249	0,3019	0,3211	0,3856
UoSC	18,0079	20,3551	13,7831	12,2680	9,7895	8,5437	8,3030	8,5539	8,7668	10,8931	14,7538	17,4606	11,9174
Total PPP in Rs. / kWh	30,7583	29,4172	23,6719	22,4755	20,0871	17,9527	16,9752	17,2183	17,8337	20,6570	22,8379	27,6521	21,4735
Fuel Cost Component													
Variable O&M	7,877	4,9522	7,720	7,840	9,035	9,137	8,971	8,980	9,131	8,490	6,041	6,233	94,386
Capacity	286	217	341	353	512	520	510	491	479	458	292	250	4,719
UoSC	13,6015	14,9019	13,3609	12,677	10,491	10,120	10,502	10,819	10,731	11,859	14,273	13,529	145,863
Total PPP in Rs. Min	23,346	22,546	22,858	21,359	21,526	21,265	21,470	21,778	21,829	21,488	1,488	1,488	1,488

It is clarified that PPP is pass through for all DISCOs and its monthly references would continue to exist irrespective of the financial year, unless the new SGT is revised and notified by the GoP



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Annex-I															
Description	Units Purchased by DISCOs (GWh)		Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Total
	710	592	692	982	1,234	1,426	1,432	1,382	1,284	955	673	691	12,063		
Fuel Cost Component															
Variable O&M	10,3954	6,7337	7,9952	8,2498	8,4315	7,7138	7,0925	7,0598	7,4595	7,8696	6,2441	8,0165	7,7334		
Capacity	0,3912	0,2567	0,3827	0,3719	0,4775	0,4390	0,4079	0,3880	0,3916	0,4249	0,3019	0,3211	0,3920		
Losses	19,4608	25,2677	18,1445	15,6949	12,9136	12,9079	12,6828	13,4317	13,7259	16,6434	19,3734	19,8360	15,6059		
Total Ppp in Rs./kWh	32,3397	34,8201	28,5311	26,3265	23,6544	22,9537	21,9757	22,7670	23,4805	27,0263	27,9391	30,3554	25,7025		

Fuel Cost Component	7.385	3,989	5,531	8,099	10,404	11,002	10,154	9,813	9,580	7,591	4,203	5,537	93,288
Volatile O&M	278	176	244	365	589	626	577	526	503	410	203	222	4,729
Capacity	13,825	14,969	12,552	15,409	15,934	18,411	18,157	18,565	17,627	16,056	13,045	13,707	168,243
USC	1,503	1,494	2,403	1,969	2,260	2,707	2,573	2,553	2,444	2,014	1,360	1,507	22,722
Total PIP in Rs. Mn	22,985	20,628	19,731	25,837	28,158	32,477	30,777	30,158	29,560	25,237	18,850	20,707	270,222

It is clarified that PPP is pass through for all DISCOs and its monthly references would continue to exist irrespective of the financial year unless the new SOT is issued.

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Description	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Total
Units purchased by DISCOs (Gwh)	910	774	1,132	1,564	1,996	2,143	2,138	2,138	1,992	1,571	1,038	902	18,427
Fuel Cost Component	10,3954	6,7337	7,9952	8,2498	8,4315	7,7128	7,0929	7,0998	7,4595	7,8695	6,2441	8,0165	77,208
Variable O&M	0,3912	0,2967	0,3527	0,3719	0,4775	0,4390	0,4025	0,3880	0,3916	0,4249	0,3019	0,3211	0,3935
Capacity	20,7816	25,5958	19,8383	15,1204	13,2323	12,3384	12,8215	12,1059	13,5867	16,6733	23,0383	20,4208	15,7459
UoSC	2,2664	2,5567	2,2380	2,0542	1,8854	1,8343	1,8168	1,6650	1,8841	2,0921	2,4039	2,2462	1,9838
Total PPP in Rs. / kWh	33,8345	35,1810	30,4061	26,7953	24,0868	22,3054	22,1340	21,2589	23,3220	27,0559	32,0082	31,0045	25,8500

Fuel Cost Component	9,463	5,209	9,048	13,361	16,826	16,529	15,166	15,535	14,857	12,361	6,482	7,235	142,273
Variable O&M	356	230	359	611	953	942	861	849	780	667	313	290	7,251
Capacity	16,919	19,798	22,432	26,938	26,527	26,438	27,415	26,490	27,061	26,350	23,935	18,429	290,152
UoSC	2,083	1,976	2,510	3,377	3,763	3,888	3,643	3,753	3,286	2,495	2,027	36,685	
Total PPP in Rs. Min	30,801	27,213	34,409	44,047	46,069	47,795	47,327	46,538	46,450	42,505	33,225	27,981	476,341

It is clarified that PPP is pass through for all DISCOs and its monthly references would continue to exist irrespective of the financial year, unless the new SOT is revised and notified by the GoP



Waqas Q



Description	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Total
Units Purchased by DISCOs (Gwh)	157	224	323	414	469	497	487	458	374	234	178	178	3,595
Fuel Cost Component	10,3854	6,7387	7,9952	8,2498	8,4315	7,7138	7,0929	7,0998	7,4596	7,8895	6,2441	8,0165	7,6966
Variable O&M	0,3912	0,2987	0,3527	0,3719	0,4775	0,4390	0,4029	0,3880	0,3916	0,4249	0,3019	0,3211	0,3944
Capacity	20,1231	24,6701	27,9197	20,7993	13,4785	12,6593	12,8196	13,6770	13,1291	14,2688	21,6948	20,4817	16,2837
UoSC	2,1946	2,4623	3,1215	2,6504	1,9118	1,8625	1,8165	1,8811	1,8205	1,7926	2,2618	2,2418	2,0634
Total PPP in Rs. / kWh	33,1002	34,1629	39,3890	32,0714	24,2995	22,6735	22,3118	23,0460	22,7998	24,3740	30,5025	30,3611	26,4402

Description	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Total
Fuel Cost Component	1,967	1,018	2,788	2,663	3,493	3,617	3,523	3,456	3,413	2,914	1,461	1,426	30,749
Variable O&M	73	45	79	120	198	205	200	189	179	159	71	57	1,576
Capacity	3,768	3,729	6,245	6,715	5,583	5,935	6,368	6,658	6,007	5,345	5,075	3,626	65,055
UoSC	411	372	698	856	792	873	902	916	833	671	529	399	8,251
Total PPP in Rs. Min	6,199	5,463	8,830	10,354	10,056	10,630	10,993	11,219	10,433	9,119	7,136	5,508	105,631

It is clarified that PPP is passed through for all DISCOs and its monthly references would continue to exist irrespective of the financial year, unless the new SOT is revised and notified by the GoP.



Waqar Anwar Bhinder

Waqar Anwar Bhinder



Description	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Total
Units Purchased by DISCCOs (GWh)	251	269	218	225	290	341	289	285	314	239	202	241	3,096
Fuel Cost Component	10,3934	6,7337	7,9352	8,2498	8,4315	7,7138	7,0929	7,0998	7,4595	7,6696	6,2441	8,0165	77,904
Variable O&M	0,3912	0,2967	0,3527	0,3719	0,4775	0,4390	0,4029	0,3880	0,3916	0,4249	0,3019	0,3214	0,3851
Capacity	15,3645	18,2135	19,0364	12,9483	9,3308	9,5135	11,3406	11,3160	11,0665	13,5945	17,7870	16,4828	15,3440
UoSC	1,6756	1,8179	2,1337	1,6500	1,3235	1,3989	1,5786	1,5564	1,5346	1,7058	1,8543	1,8130	1,6424
Total PPP in Rs. / kWh	27,8267	27,0619	29,5660	23,2300	19,5633	19,0651	20,2150	20,3603	20,4523	23,5948	26,1873	26,6333	23,1629
Fuel Cost Component	2,612	1,407	1,743	1,850	2,441	2,631	2,047	2,075	2,345	1,800	1,260	1,935	24,106
Variable O&M	98	62	77	84	138	150	116	111	123	97	61	77	1,195
Capacity	3,861	3,806	4,161	2,919	2,702	3,245	3,216	3,227	3,479	3,109	3,368	3,978	41,291
UoSC	421	380	465	372	383	477	456	444	482	390	374	438	5,032
Total PPP in Rs. / kWh	6,593	5,655	6,447	5,235	5,664	6,502	5,835	5,806	6,430	5,397	5,282	6,426	71,674

It is clarified that PPP is pass through for all DISCCOs and its monthly references would continue to exist irrespective of the financial year, unless the new SOT is revised and notified by the SoP



Waqas  
Anwar



Description	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Total
Units Purchased by DISCOs (GWh)	795	652	690	714	917	1,080	1,200	1,191	996	724	639	764	10,373
Fuel Cost Component	6,7337	7,9952	8,2498	8,4315	7,7138	7,0929	7,4595	7,8696	6,2441	8,0165			
Variable O&M	0,3912	0,2967	0,3527	0,3719	0,4775	0,4390	0,4029	0,3880	0,3916	0,4249	0,3019	0,3211	7,7520
Capacity	18,3284	21,0717	23,1516	15,2153	11,3173	12,0104	10,9777	10,9754	14,2064	16,5018	20,3311	19,8188	0,3856
UoSC	1,9988	2,1031	2,5884	1,9989	1,6053	1,7660	1,5555	1,5095	1,9700	2,0705	2,1821	2,1759	15,3849
Total PPP in Rs. / MWth	31,1138	30,2053	34,0879	25,7759	22,3817	21,9292	20,0250	19,9728	24,0277	26,8659	29,6592	30,3368	1,9010
Fuel Cost Component	4,273	4,456	5,521	5,889	7,731	8,331	8,515	8,453	7,427	5,700			25,4245
Variable O&M	321	196	243	265	438	474	484	462	390	308			80,610
Capacity	14,586	13,943	15,986	10,862	10,377	12,972	13,178	12,067	16,144	11,957	13,370	15,147	4,010
UoSC	1,351	1,392	1,787	1,384	1,672	1,907	1,867	1,797	2,044	1,500	1,394	1,666	159,583
Total PPP in Rs. / Min	24,761	20,987	23,537	18,403	20,032	23,684	24,044	23,779	23,922	19,459	18,945	23,185	19,718

It is clarified that PPP is pass through for all DISCOs and its monthly references would continue to exist irrespective of the financial year, unless the new SOT is revised and notified by the GSP

B-  
Anwar





### FUEL PRICE ADJUSTMENT MECHANISM

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

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

Where:

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

Actual fuel cost component is the fuel cost component in the pool price on which the DISCOs will be charged by CPPA (G) and for fuel cost of energy procured through bilateral contracts, in a particular month; and

Reference fuel cost component is the fuel cost component for the corresponding month projected for the purpose of tariff determination;

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

[Tariff / MYT-2025-26]



S. M. Attaullah Mattoq

(Syed Mattoq Ahmed)  
Deputy Secretary (T&S)  
Ministry of Energy  
(Power Division)

