

Government of Pakistan  
Ministry of Energy  
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Islamabad, the 13<sup>th</sup> January, 2026.

**NOTIFICATION**

S.R.O. 47(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. 380(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 Multan Electric Power Company (MEPCO), 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 MEPCO 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(Trf)/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 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), KB 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;

CY 2026 ( Distribution + Supply ) functions Revenue Requirement													
XWDISCO - TESCO - PESCON - GEPCO - NIEPCO - PESCON - HESCO - QESCO - SEPCO - TESCO - HAZECO - NIEPCO													
Units Received	GWh	12,395	25,606	15,436	12,063	18,427	10,373	5,486	4,750	3,995	1,554	3,094	113,582
Units Sold	GWh	11,194	23,440	14,597	10,993	16,337	8,375	4,523	4,094	3,344	1,416	2,618	101,234
Units Lost	GWh	904	2,166	1,239	1,058	2,090	1,998	963	656	652	138	476	12,348
T&D Losses	%	7.29%	8.45%	7.82%	8.85%	11.14%	19.24%	17.55%	13.81%	16.31%	8.69%	15.39%	10,179
<b>Energy Charge</b>	<b>Rs. Mn</b>	<b>100,937</b>	<b>208,758</b>	<b>128,641</b>	<b>94,017</b>	<b>149,524</b>	<b>84,420</b>	<b>44,484</b>	<b>38,857</b>	<b>32,325</b>	<b>12,735</b>	<b>25,301</b>	<b>913,558</b>
<b>Capacity Charge</b>	<b>Rs. Mn</b>	<b>164,652</b>	<b>381,769</b>	<b>236,947</b>	<b>188,213</b>	<b>236,152</b>	<b>159,383</b>	<b>112,729</b>	<b>95,008</b>	<b>65,055</b>	<b>42,013</b>	<b>41,291</b>	<b>1,774,453</b>
<b>Transmission &amp; MOF</b>	<b>Rs. Mn</b>	<b>20,681</b>	<b>47,218</b>	<b>29,413</b>	<b>23,787</b>	<b>38,665</b>	<b>19,718</b>	<b>13,960</b>	<b>11,559</b>	<b>8,251</b>	<b>5,095</b>	<b>5,082</b>	<b>222,144</b>
<b>Power Purchase Price</b>	<b>Rs. Mn</b>	<b>286,329</b>	<b>637,958</b>	<b>395,002</b>	<b>310,048</b>	<b>476,341</b>	<b>263,722</b>	<b>171,173</b>	<b>145,434</b>	<b>105,631</b>	<b>59,842</b>	<b>71,674</b>	<b>2,923,154</b>
<b>Pay &amp; Allowances</b>	<b>Rs. Mn</b>	<b>16,380</b>	<b>30,670</b>	<b>20,467</b>	<b>17,310</b>	<b>20,353</b>	<b>13,869</b>	<b>10,832</b>	<b>7,921</b>	<b>7,073</b>	<b>1,355</b>	<b>1,833</b>	<b>148,062</b>
<b>Post Reimbursement Benefits</b>	<b>Rs. Mn</b>	<b>11,047</b>	<b>22,126</b>	<b>20,216</b>	<b>11,205</b>	<b>27,291</b>	<b>14,043</b>	<b>6,425</b>	<b>3,916</b>	<b>6,542</b>	<b>698</b>	<b>988</b>	<b>124,957</b>
<b>Repair &amp; Maintenance</b>	<b>Rs. Mn</b>	<b>2,675</b>	<b>3,000</b>	<b>1,296</b>	<b>3,551</b>	<b>2,039</b>	<b>1,543</b>	<b>2,839</b>	<b>1,603</b>	<b>1,416</b>	<b>391</b>	<b>137</b>	<b>20,481</b>
<b>Traveling allowances</b>	<b>Rs. Mn</b>	<b>641</b>	<b>772</b>	<b>643</b>	<b>446</b>	<b>1,026</b>	<b>216</b>	<b>377</b>	<b>308</b>	<b>432</b>	<b>46</b>	<b>34</b>	<b>4,943</b>
<b>Vehicle maintenance</b>	<b>Rs. Mn</b>	<b>1,116</b>	<b>2,169</b>	<b>1,098</b>	<b>1,361</b>	<b>742</b>	<b>325</b>	<b>689</b>	<b>558</b>	<b>287</b>	<b>82</b>	<b>11</b>	<b>8,314</b>
<b>Other expenses</b>	<b>Rs. Mn</b>	<b>2,579</b>	<b>3,437</b>	<b>2,256</b>	<b>1,161</b>	<b>3,791</b>	<b>1,877</b>	<b>1,300</b>	<b>992</b>	<b>1,827</b>	<b>108</b>	<b>69</b>	<b>19,226</b>
<b>Overall Cost</b>	<b>Rs. Mn</b>	<b>34,386</b>	<b>62,174</b>	<b>45,473</b>	<b>34,924</b>	<b>55,201</b>	<b>31,879</b>	<b>22,461</b>	<b>15,266</b>	<b>17,669</b>	<b>2,681</b>	<b>2,913</b>	<b>326,021</b>
<b>Depreciation</b>	<b>Rs. Mn</b>	<b>5,981</b>	<b>6,728</b>	<b>6,615</b>	<b>5,339</b>	<b>9,195</b>	<b>3,328</b>	<b>1,835</b>	<b>1,953</b>	<b>1,894</b>	<b>710</b>	<b>803</b>	<b>44,393</b>
<b>ROR&amp;O</b>	<b>Rs. Mn</b>	<b>14,390</b>	<b>16,752</b>	<b>12,807</b>	<b>10,204</b>	<b>10,704</b>	<b>7,078</b>	<b>13,495</b>	<b>6,001</b>	<b>9,284</b>	<b>2,504</b>	<b>207</b>	<b>97,974</b>
<b>Losses</b>	<b>Rs. Mn</b>	<b>(8,281)</b>	<b>(12,600)</b>	<b>(7,313)</b>	<b>(4,585)</b>	<b>(8,525)</b>	<b>(6,111)</b>	<b>(1,335)</b>	<b>(1,970)</b>	<b>(2,665)</b>	<b>(728)</b>	<b>(652)</b>	<b>(51,760)</b>
<b>Total Distribution/Supply Margin</b>	<b>Rs. Mn</b>	<b>46,478</b>	<b>67,054</b>	<b>58,582</b>	<b>43,892</b>	<b>66,565</b>	<b>36,168</b>	<b>36,469</b>	<b>21,242</b>	<b>16,182</b>	<b>5,166</b>	<b>3,771</b>	<b>413,579</b>
<b>Prior Year Adjustment</b>	<b>Rs. Mn</b>	<b>(4,209)</b>	<b>(971)</b>	<b>16,974</b>	<b>22,420</b>	<b>8,794</b>	<b>15,743</b>	<b>(397)</b>	<b>5,361</b>	<b>2,120</b>	<b>5,443</b>	<b>(7)</b>	<b>71,572</b>
<b>Revenue Requirement</b>	<b>Rs. Mn</b>	<b>328,598</b>	<b>704,041</b>	<b>470,558</b>	<b>378,369</b>	<b>551,599</b>	<b>315,635</b>	<b>207,345</b>	<b>172,237</b>	<b>133,934</b>	<b>70,452</b>	<b>75,437</b>	<b>3,406,345</b>
<b>Working Capital</b>	<b>Rs. Mn</b>	<b>(4,493)</b>	<b>(4,260)</b>	<b>(3,831)</b>	<b>(1,858)</b>	<b>(4,538)</b>	<b>(3,187)</b>	<b>(1,821)</b>	<b>(2,797)</b>	<b>(603)</b>	<b>(1,036)</b>	<b>(569)</b>	<b>(28,998)</b>
<b>Net Revenue Requirement set of W.C</b>	<b>Rs. Mn</b>	<b>324,105</b>	<b>699,781</b>	<b>456,727</b>	<b>376,591</b>	<b>547,161</b>	<b>312,448</b>	<b>205,524</b>	<b>169,441</b>	<b>133,331</b>	<b>69,416</b>	<b>74,872</b>	<b>3,379,304</b>
<b>Avg. Tariff with Working Capital</b>	<b>Rs./kWh</b>	<b>28.20</b>	<b>29.85</b>	<b>31.97</b>	<b>34.24</b>	<b>33.49</b>	<b>37.31</b>	<b>45.44</b>	<b>41.38</b>	<b>39.68</b>	<b>49.03</b>	<b>28.60</b>	<b>33.58</b>

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.

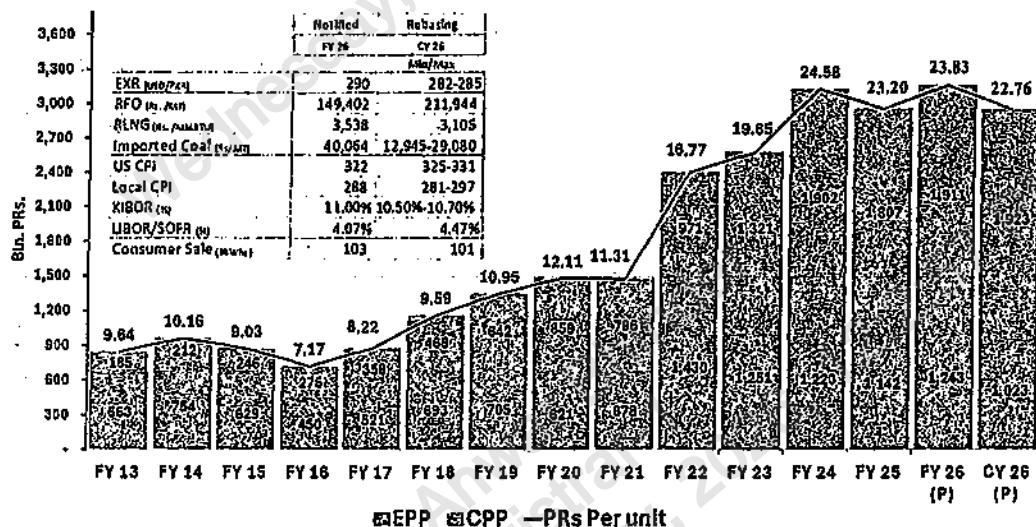
9. In light of the above, instant Motion has been filed by the Federal Government with respect to Consumer End Tariff Recommendations of XWDISCOs under section 7 and 31 of the Act read with Rule 17 of the Rules, so as to reconsider and issue the uniform schedule of tariff of XWDISCOs, by incorporating 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 Federal 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.

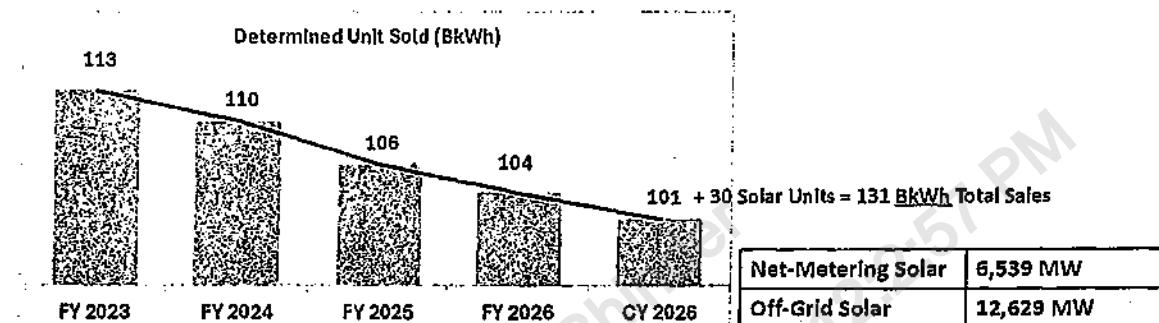


16. It was explained that over the years, determined unit sales have gone down from 113 bKWh in FY 2023 to projected 101 bKWh in CY 2026, primarily due to influx of solar net metering and off-grid solar. The capacity of net metering and off-grid solar has increased to 6,539 MW and 12,629 MW (as per the 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
Energy Charge	1,125	10.87	924	9.12
Capacity Charge	1,766	17.06	1,777	17.56
UoSC	174	1.68	222	2.19
Generation Cost	3,066	29.61	2,923	28.88
Distribution Margin	396	3.82	414	4.09
Prior Year Adjustments	59	0.57	72	0.71
Revenue Requirement	3,521	34.00	3,408	33.67
Working Capital	-	-	(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	%	MkWh	%	Nos	%	MkWh	%
Up to 50 Units - Life Line	1,346,058	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%
	9,543,496	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 Bh Rs.
	Consumers	Units	Jul-25	Jan-26	Change	Jul-25	Jan-26	Change	
			Nos	%	MkWh	Rs./KWh	Rs./Con/M	Rs./KWh/M	
Up to 50 Units - Life Line	849,869	2%	413	3.95	3.95	0	0	0	614 Bln
51-100 units - Life Line	533,271	1%	393	7.74	7.74	0	0	0	
01-100 Units [Protected]	7,640,109	20%	15,007	10.54	10.54	0	0	0	
101-200 Units [Protected]	12,530,378	32%	3,898	13.01	13.01	0	0	0	
01-100 Units	813,495	2%	3,003	22.44	22.44	0	0	0	41
101-200 Units	1,481,312	4%	6,479	28.91	28.91	0	0	0	47
Non-Prot. 201-300	5,632,066	15%	9,083	33.10	33.10	0	0	0	27
Non-Prot. > 300 & ToU	4,694,365	12%	13,399	41.10	41.10	200 - 1000	0	0	(93)
Domestic	34,274,866	89%	51,675	25.54	25.54				521
Commercial	3,523,456	9%	7,929	37.36	37.36	1000	1000	1000	(90)
General Services	228,309	1%	3,485	42.48	42.48	1000	1000	1000	(35)
Industrial	301,384	1%	25,248	29.34	29.34	1000	1000	1000	(102)
Bulk	2,698	0.01%	3,198	38.22	38.22	2000	2000	2000	(45)
Agricultural	261,607	1%	6,501	28.99	28.99	0	0	0	15
Others	10,781	0%	3,198	29.02	29.02	2000	2000	2000	(16)
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;

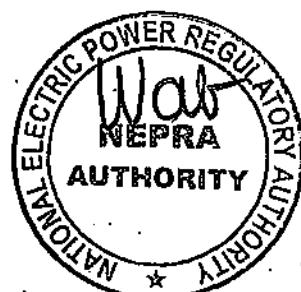
✓ Selective and Discriminatory Application of Base Tariff Reduction

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.

Wah



6/18



✓ 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**

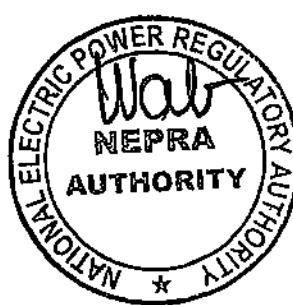
There is no change in base tariff of any consumer category / slab, therefore there is no selective or discriminatory treatment with industries. The reduction in NEPRA rate has been absorbed by a substantial change in domestic consumer mix towards low-tariff protected class. Accordingly, the national 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.

Manu Q





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



10/18

Category	Description	Fixed Charges		Variable Charges (Rs./KWh)											
		NEPRA		NEPRA Determined Tariff											
		Rs. / Cons. / Month	Rs. / kW / Month	PESCO	NEESCO	GEPOD	QESCO	MEPCD	TEESCO	LESCO	SEPCD	TEESCO	NEESCO	HAZCO	Uniform National NEPRA Determined Tariff with PYA
Residential		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Domestic	For peak load requirement less than 5 kW	-	-	34.19	35.63	32.39	46.45	29.48	35.88	37.22	35.11	39.73	50.81	27.91	36.13
	Up to 50 Units - Life Line	-	-	34.80	39.24	32.93	47.06	30.09	38.29	37.03	33.77	40.34	51.42	28.52	36.13
	51-100 Units - Life Line	-	-	37.41	43.78	36.79	50.75	32.87	35.84	35.81	31.16	41.30	51.47	29.88	36.13
	101-200 Units	-	-	37.28	43.82	36.85	50.83	32.74	35.81	35.40	31.03	41.17	51.33	29.85	36.13
Un-Projected	01-100 Units	-	-	35.90	51.57	38.32	54.02	33.16	35.84	35.13	30.71	43.82	54.05	29.47	36.13
	101-200 Units	-	-	36.71	53.00	36.35	56.04	34.58	34.76	33.38	29.37	45.24	55.47	30.27	36.13
	201-300 Units	-	-	36.87	53.09	35.84	56.17	34.69	35.25	34.06	29.98	45.32	55.54	30.44	36.13
	301-400 Units	200	-	37.67	52.65	35.60	55.69	33.97	34.37	32.82	29.72	44.47	55.34	29.11	35.58
Projected	401-500 Units	400	-	37.25	52.14	35.18	55.27	33.55	35.85	32.41	29.31	44.05	54.92	28.89	35.23
	501-600 Units	600	-	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	800	-	38.82	51.80	34.84	54.98	33.21	33.61	32.07	28.97	43.39	54.60	28.35	34.81
	Above 700 Units	1,000	-	38.79	51.65	34.58	54.83	33.05	33.46	31.92	28.82	43.24	54.47	28.23	34.57
For peak load requirement exceeding 5 kW		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Time of Use (TOU) - Peak		1,000	-	37.80	52.42	35.35	55.54	33.89	34.22	32.68	29.57	44.06	55.19	26.93	33.08
Time of Use (TOU) - Off-Peak		-	-	34.97	49.80	32.82	53.02	31.18	31.69	30.15	27.03	41.47	52.67	26.41	30.51
Temporary Supply		2,000	-	40.80	59.37	37.93	61.89	38.70	37.38	35.24	30.85	46.24	62.59	32.04	34.31
Total Residential		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial - A2		-	-	-	-	-	-	-	-	-	-	-	-	-	-
For peak load requirement less than 5 kW		1,000	-	26.77	41.76	24.59	44.87	22.77	23.84	21.05	18.90	33.25	44.42	17.83	24.54
For peak load requirement exceeding 5 kW		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Regular		-	1,250	27.46	42.45	25.38	42.77	23.45	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	32.89	31.24	28.05	39.88	53.11	28.97	33.08
Time of Use (TOU) - Off-Peak		-	1,250	29.00	42.85	25.74	45.68	24.19	24.93	23.35	20.15	32.09	45.21	19.07	25.12
Temporary Supply		5,000	-	39.92	57.80	36.40	60.12	34.03	36.11	33.54	29.17	46.55	60.90	28.99	34.68
Electric Vehicle Charging Station (EVCS)		-	-	33.71	52.05	33.29	53.48	18.51	15.51	24.82	17.50	41.84	55.33	27.27	33.08
Total Commercial		-	-	-	-	-	-	-	-	-	-	-	-	-	-
General Services-A3		1,000	-	33.10	47.80	31.16	51.05	29.01	29.94	28.21	24.49	39.78	50.38	24.17	32.38
Industrial		-	-	-	-	-	-	-	-	-	-	-	-	-	-
B1		1,000	-	43.50	40.84	32.91	57.23	37.05	30.70	29.38	31.07	32.82	37.08	35.01	32.55
B1 Peak		1,000	-	46.72	43.37	35.05	60.09	40.18	32.46	31.05	35.08	36.13	40.27	38.12	35.00
B1 Off-Peak		1,000	-	41.26	38.32	30.55	54.65	34.75	28.40	26.99	29.01	31.08	34.84	32.69	30.82
B2		-	1,250	42.09	38.76	31.38	55.48	35.98	27.88	28.58	28.23	31.44	35.87	33.80	27.67
B2 - TOU (Peak)		-	-	46.53	42.93	35.73	59.67	39.80	30.95	30.72	31.95	35.88	40.25	37.84	35.00
B2 - TOU (Off-peak)		-	1,250	38.91	32.47	28.72	50.81	29.83	22.08	20.73	23.64	28.71	32.35	26.13	25.49
B3 - TOU (Peak)		-	-	46.56	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	21.45	45.55	25.44	17.84	18.30	18.62	21.18	25.81	23.39	20.83
B4 - TOU (Peak)		-	-	46.58	43.03	35.11	59.23	39.93	32.23	30.99	31.67	35.67	39.41	37.98	35.00
B4 - TOU (Off-peak)		-	1,250	38.72	31.17	25.25	49.98	30.07	21.37	20.13	20.91	24.60	29.55	28.12	24.24
Temporary Supply		5,000	-	47.57	48.05	35.37	63.98	40.96	33.39	31.34	32.11	38.11	45.40	38.97	35.13
Total Industrial		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Point Supply		-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1(e) Supply at 400 Volts-less than 5 kW		2,000	-	34.81	51.24	32.81	52.91	32.80	31.83	30.88	28.58	41.56	51.58	26.37	34.11
C1(e) Supply at 400 Volts-exceeding 5 kW		-	1,250	21.30	37.73	19.36	39.40	19.09	18.32	17.45	15.07	28.05	35.85	12.88	27.80
Time of Use (TOU) - Peak		-	-	32.70	49.22	30.04	50.74	30.55	29.70	29.02	28.43	38.51	49.12	24.27	35.00
Time of Use (TOU) - Off-Peak		-	1,250	26.35	42.87	23.69	44.39	24.21	23.36	22.87	20.08	33.18	42.77	17.92	28.12
C2 Supply at 11 KV		-	1,250	22.00	38.44	18.14	40.10	19.79	19.03	18.16	15.77	28.76	38.91	13.57	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	25.58	35.00
Time of Use (TOU) - Off-Peak		-	1,250	19.26	35.82	17.20	37.32	17.55	18.56	18.58	13.30	23.79	36.85	11.37	19.33
C3 Supply above 11 KV		-	1,250	30.09	45.21	27.88	48.85	27.80	26.98	26.03	23.63	35.54	45.68	21.85	37.37
Time of Use (TOU) - Peak		-	-	39.82	54.84	37.59	56.81	37.53	36.71	35.77	33.35	45.27	55.29	31.39	35.00
Time of Use (TOU) - Off-Peak		-	1,250	28.14	43.27	25.91	44.94	25.88	25.03	24.09	21.88	33.59	43.61	19.71	23.48
Total Single Point Supply		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural Tube-wells - Tariff D		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Scarp		-	-	27.08	42.24	25.06	44.87	23.15	24.10	21.30	19.15	33.81	43.65	18.07	32.85
Time of Use (TOU) - Peak		-	-	24.05	39.29	22.00	41.75	20.35	21.26	17.95	18.17	30.93	40.63	15.07	35.00
Time of Use (TOU) - Off-Peak		-	400	21.88	37.12	19.83	39.88	18.18	19.09	15.79	14.00	28.76	38.45	12.80	31.30
Agricultural Tube-wells		-	400	34.68	49.45	32.52	52.56	30.89	31.83	28.75	26.77	41.86	51.51	25.45	32.52
Time of Use (TOU) - Peak		-	-	38.47	53.48	30.32	56.17	34.49	35.44	32.82	30.52	45.37	55.35	29.48	33.00
Time of Use (TOU) - Off-Peak		-	400	28.43	48.10	27.76	51.74	29.83	30.88	28.82	20.21	37.94	50.70	24.89	28.70
Total Agricultural		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Lighting - Tariff G		2,000	-	31.81	48.97	29.82	49.89	27.72	28.93	27.78	23.71	38.37	49.24	22.38	32.80
Residential Colonies		2,000	-	26.95	42.41	24.05	45.03	23.05	24.27	23.08	19.03	33.70	44.57	17.71	25.80
Railway Trailing		2,000	-	-	-	-	-	25.99	-	25.04	-	-	-	-	28.01
Tariff K - A.M.K		-	1,250	-	-	24.89	-	-	-	-	21.60	-	-	10.55	21.68
Time of Use (TOU) - Peak		-	-	-	-	31.32	-	-	-	-	25.49	-	-	24.68	26.01
Time of Use (TOU) - Off-Peak		-	1,250	-	-	28.62	-	-	-	-	20.79	-	-	20.18	21.38
Tariff K - Rawal Lab		2,000	-</td												

**SCHEDULE OF ELECTRICITY TARIFFS**  
THE NATIONAL AVERAGE CURRENTLY DETERMINED TARIFF WITH PVA ALONG WITH GOF APPLICABLE TARIFF

**GENERAL SUPPLY TARIFF / RESIDENTIAL TARIFF**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cent. / M	FIXED CHARGES Rs./kWh/M	UNIFORM DETERMINED TARIFF WITH PVA VARIABLE CHARGES		GOF APPLICABLE VARIABLE CHARGES Rs./kWh
				A	B	
a) For Sanctioned load less than 8 kW						
i) Up to 60 Units - Life Line					36.13	3.98
ii) 61 - 100 Units - Life Line					36.13	7.74
iii) 101 - 200 Units					36.13	10.54
iv) 201 - 300 Units					36.13	13.01
v) 301 - 400 Units					36.13	22.44
vi) 401 - 500 Units					36.13	23.91
vii) 501 - 600 Units		200			36.13	33.10
ix) 601 - 800 Units		400			36.13	40.20
x) 801 - 1000 Units		600			34.97	41.63
xi) 1001 - 700 Units		800			34.81	42.76
xii) Above 700 Units		1,000			35.07	47.69
b) For Sanctioned load 8 kW & above						
Time Of Use		1,000				
i) Peak		33.08		Peak		40.53
ii) Off-Peak		30.51		Off-Peak		
iii) Pre-Paid Residential Supply Tariff		1,000			40.98	48.19

As per Authority's decision only protected residential consumers will be given the benefit of no pre-fix slab.

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

Under tariff 14, 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 charge shall be applicable on such consumers, even if no energy consumed.

a) Single Phase Connection

Rs. 75/- per consumer per month

b) Three Phase Connection

Rs. 150/- per consumer per month

**GENERAL SUPPLY TARIFF / COMMERCIAL TARIFF**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cent. / M	FIXED CHARGES Rs./kWh/M	UNIFORM DETERMINED TARIFF WITH PVA VARIABLE CHARGES		GOF APPLICABLE VARIABLE CHARGES Rs./kWh
				A	B	
a) For Sanctioned load less than 8 kW		1,000			36.54	37.44
b) For Sanctioned load 8 kW & above			1,350		36.53	39.76
ii) Time Of Use				Peak	Off-Peak	Peak
iii) Electric Vehicle Charging Station			1,240	33.08	36.12	42.82
iv) Pre-Paid Commercial Supply Tariff			1,350		33.08	33.59

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

**GENERAL SUPPLY TARIFF / COMMERCIAL TARIFF**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cent. / M	FIXED CHARGES Rs./kWh/M	UNIFORM DETERMINED TARIFF WITH PVA VARIABLE CHARGES		GOF APPLICABLE VARIABLE CHARGES Rs./kWh
				A	B	
i) General Services		1,000			32.58	42.48
ii) Pre-Paid General Services Supply Tariff		1,000			37.53	42.48

Where Fixed Charges are applicable Rs./kW/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. / Cent. / M	FIXED CHARGES Rs./kWh/M	UNIFORM DETERMINED TARIFF WITH PVA VARIABLE CHARGES		GOF APPLICABLE VARIABLE CHARGES Rs./kWh
				A	B	
B1	Up to 35 kW (at 400/230 Volts)	1,000			32.65	30.80
B2(a)	Exceeding 35-500 kW (at 400 Volts)		1,240		27.87	30.73
Time Of Use				Peak	Off-Peak	Peak
B1 (b)	Up to 35 kW	1,000		36.00	30.62	36.76
B2(c)	Exceeding 35-500 kW (at 400 Volts)		1,240	36.00	26.49	36.68
B3	For All Loads up to 5000 kW (at 11,53 kV)		1,240	36.00	26.63	36.88
B4	For All Loads (at 66,132 kV & above)		1,240	36.00	24.24	37.95
Pre-Paid Industrial Supply Tariff			1,240		39.00	35.72

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

**GENERAL SERVICE TARIFF**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cent. / M	FIXED CHARGES Rs./kWh/M	UNIFORM DETERMINED TARIFF WITH PVA VARIABLE CHARGES		GOF APPLICABLE VARIABLE CHARGES Rs./kWh
				A	B	
G-1	For supply at 400/230 Volts				34.11	43.37
G-1(a)	Sanctioned load less than 8 kW	2,000				
G-1(b)	Sanctioned load 8 kW & up to 500 kW		1,240		37.60	40.63
G-2(a)	For supply at 11,53 kV up to and including 6000 kW		1,240		21.33	40.67
G-2(b)	For supply at 66 kV & above and sanctioned load above 6000 kW		1,240		37.37	40.77
Time Of Use				Peak	Off-Peak	Peak
G-1(c)	For supply at 400/230 Volts & up to 500 kW		1,240	36.00	29.12	46.31
G-2(c)	For supply at 11,53 kV up to and including 6000 kW		1,240	36.00	19.83	46.31
G-3(c)	For supply at 66 kV & above and sanctioned load above 6000 kW		1,240	36.00	22.45	46.31
Pre-Paid Bulk Supply Tariff			1,240		37.94	44.87

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



12/18  
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**SCHEDULE OF ELECTRICITY TARIFFS**  
**FOR INDUSTRIAL AVERAGE UNIFORM DETERMINED TARIFF WITH PVA ALONG WITH GOVT APPLICABLE TARIFF**  
**FOR INDUSTRIAL AVERAGE UNIFORM DETERMINED TARIFF WITH PVA ALONG WITH GOVT APPLICABLE TARIFF**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Con. / M	FIXED CHARGES Rs./kWh/M	UNIFORM DETERMINED TARIFF WITH PVA VARIABLE CHARGES Rs./kWh		GOVT APPLICABLE VARIABLE CHARGES Rs./kWh
				A	B	
D-1(a)	SCAMP (less than 5 KW)	-	-	32.48	39.67	
D-2 (a)	Agricultural Tube Wells	-	400	33.63	38.59	
D-1(b)	SCAMP 5 KW & above	-	-	400	33.63	38.59
D-2 (b)	Agricultural 5 KW & above	-	-	400	38.00	42.70
	(a) & (b) for April to Dec	-	-	400	38.00	42.70
					38.04	42.74

Under this tariff, there shall be minimum monthly charges Rs.1000/- per consumer per month, even if no energy is consumed.

Note: The consumer having additional load less than 5 KW can opt for TOU metering.

**SCHEDULE OF TEMPORARY SUPPLY TARIFFS**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Con. / M	FIXED CHARGES Rs./kWh/M	UNIFORM DETERMINED TARIFF WITH PVA VARIABLE CHARGES Rs./kWh		GOVT APPLICABLE VARIABLE CHARGES Rs./kWh
				A	B	
E-1(a)	Residential Supply	-	2,000	-	34.31	39.94
E-1(b)	Commercial Supply	-	5,000	-	34.64	33.44
E-2	Industrial Supply	-	5,000	-	35.13	42.26

**SCHEDULE OF SEASONAL INDUSTRIAL SUPPLY TARIFFS**

125% of relevant Industrial tariff  
 Note: Tariff P 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 SEASONAL INDUSTRIAL SUPPLY TARIFFS FOR PUBLIC LIGHTING SYSTEMS**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Con. / M	FIXED CHARGES Rs./kWh/M	UNIFORM DETERMINED TARIFF WITH PVA VARIABLE CHARGES Rs./kWh		GOVT APPLICABLE VARIABLE CHARGES Rs./kWh
				A	B	
	Street Lighting	-	2,000	-	32.69	42.91

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

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Con. / M	FIXED CHARGES Rs./kWh/M	UNIFORM DETERMINED TARIFF WITH PVA VARIABLE CHARGES Rs./kWh		GOVT APPLICABLE VARIABLE CHARGES Rs./kWh
				A	B	
	Residential Colonies attached to Industrial premises	-	2,000	-	38.60	42.10

**SCHEDULE OF TARIFFS FOR SPECIAL CONTRACTS**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Con. / M	FIXED CHARGES Rs./kWh/M	UNIFORM DETERMINED TARIFF WITH PVA VARIABLE CHARGES Rs./kWh		GOVT APPLICABLE VARIABLE CHARGES Rs./kWh
				A	B	
1	Area Jammu & Kashmir (AJK)	-	-	31.68	36.45	
	Time Of Use	-	-	31.68	31.68	31.68
2	Power Lab	-	2,000	-	38.90	42.25

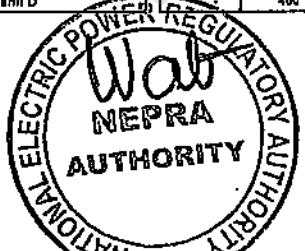
**SCHEDULE OF TARIFFS FOR RAILWAY TRACTION PLANT**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Con. / M	FIXED CHARGES Rs./kWh/M	UNIFORM DETERMINED TARIFF WITH PVA VARIABLE CHARGES Rs./kWh		GOVT APPLICABLE VARIABLE CHARGES Rs./kWh
				A	B	
	Railway Tracing	-	2,000	-	38.01	42.35

*Matrix P*



Description	Fixed Charges		Variable Charges (Rs./kWh)										Uniform National NEPRA Determined Tariff without PYA
	Rs. / Cons. / Month	Rs. / kW / Month	NEPRA Determined		NEPRA Determined Tariff								
Residential	PESCO	HECO	GPCC	QESCO	MESCO	SECC	TESCO	ESCO	ESERCO	TESCO BUT/CON	NAZECO		
For peak load requirement less than 5 kW	-	-	-	-	-	-	-	-	-	-	-	-	
Up to 50 Units - Life Line	-	-	32.31	38.59	30.35	45.09	28.94	34.52	37.28	35.48	39.10	46.95	27.81
51-100 units - Life Line	-	-	32.82	39.30	30.88	45.70	28.55	35.13	37.07	34.14	39.71	47.57	28.52
01-100 Units	-	-	35.53	43.82	34.75	49.40	32.34	34.76	35.85	31.53	40.87	47.82	29.85
101-200 Units	-	-	35.40	43.68	34.51	49.27	32.20	34.64	35.51	31.40	40.83	47.49	29.85
101-200 Units	-	-	34.02	51.84	34.28	52.28	32.82	34.68	35.17	31.08	43.19	50.20	29.47
201-300 Units	-	-	34.83	53.06	33.31	54.89	34.05	33.68	33.42	29.73	44.81	51.63	30.28
301-400 Units	200	-	34.89	53.16	33.80	54.81	34.15	34.09	34.10	30.35	44.68	51.89	30.44
401-500 Units	400	-	35.78	52.52	33.56	54.33	33.43	33.20	32.87	30.09	43.83	51.49	29.11
501-600 Units	600	-	35.17	52.06	32.94	53.77	32.81	32.58	32.25	28.47	43.31	50.87	28.49
601-700 Units	800	-	35.04	51.86	32.80	53.62	32.68	32.45	32.11	29.33	42.70	50.78	28.36
Above 700 Units	1,000	-	34.81	51.71	32.64	53.48	32.51	32.29	31.95	29.18	42.60	50.63	28.23
For peak load requirement exceeding 5 kW	-	-	-	-	-	-	-	-	-	-	-	-	
Time of Use (TOU) - Peak	1,000	-	38.82	52.49	33.31	54.18	33.15	33.05	32.72	28.94	43.38	51.34	28.84
Time of Use (TOU) - Off-Peak	-	-	33.09	49.97	30.76	51.66	30.82	30.53	30.19	27.42	40.84	48.82	26.41
Temporary Supply	2,000	-	38.72	59.43	35.89	60.33	36.16	36.22	35.26	31.22	47.61	55.75	32.04
Total Residential													
Commercial - A2													
For peak load requirement less than 5 kW	1,000	-	24.89	41.82	22.85	43.52	22.23	22.87	21.98	19.25	32.59	40.58	17.84
For peak load requirement exceeding 5 kW	-	-	-	-	-	-	-	-	-	-	-	-	
Regular	-	1,250	25.58	42.51	23.34	41.41	22.82	23.37	22.87	19.95	33.28	38.47	18.53
Time of Use (TOU) - Peak	-	-	34.02	50.01	31.60	52.60	31.54	31.70	31.29	28.42	39.35	48.27	26.87
Time of Use (TOU) - Off-Peak	-	1,250	26.12	43.02	23.70	44.00	23.65	23.77	23.39	20.52	31.45	41.37	18.07
Temporary Supply	5,000	-	37.04	57.87	34.38	58.76	34.29	34.85	33.69	29.84	45.81	57.05	29.09
Electric Vehicle Charging Station (EVCS)	-	-	31.83	52.14	31.25	52.12	15.97	14.35	24.66	17.87	41.21	52.48	27.26
Total Commercial													
General Services-A3	1,000	-	31.22	47.87	29.12	45.70	28.47	28.78	28.24	25.35	39.14	46.81	24.17
Industrial													
B1	1,000	-	41.82	40.91	30.88	55.87	35.51	29.64	29.40	31.43	32.18	33.23	35.01
B1 Peak	1,000	-	44.84	43.44	33.84	58.73	33.85	31.29	31.09	33.43	35.50	38.43	38.13
B1-Off Peak	-	-	39.40	38.38	28.51	53.30	34.21	27.24	27.03	29.38	30.44	30.98	32.69
B2	-	1,250	40.21	36.83	29.35	54.12	33.05	28.70	28.80	30.81	31.83	33.81	27.79
B2 - TOU (Peak)	-	-	44.65	42.89	33.69	56.31	39.38	30.89	30.78	32.31	35.23	38.40	37.94
B2 - TOU (Off-peak)	-	1,250	35.03	32.54	24.68	49.48	29.39	20.90	20.77	23.88	28.07	28.51	24.71
B3 - TOU (Peak)	-	-	44.70	43.14	33.87	58.79	39.51	31.08	30.84	34.49	36.13	38.56	37.99
B3 - TOU (Off-peak)	-	1,250	30.10	28.53	19.37	44.19	24.80	16.47	16.34	18.86	20.53	21.05	23.39
B4 - TOU (Peak)	-	-	44.70	43.09	33.07	57.87	38.39	31.07	31.03	32.03	35.03	35.58	37.89
B4 - TOU (Off-peak)	-	1,250	34.84	32.23	23.21	48.00	28.53	20.21	20.17	21.27	24.17	25.70	28.13
Temporary Supply	5,000	-	45.69	48.14	34.33	62.83	40.42	32.23	31.34	32.48	37.48	45.86	38.88
Total Industrial													
Single Point Supply													
C1(a) Supply at 400 Volts-less than 5 kW	2,000	-	32.83	51.30	30.77	51.55	32.08	30.67	31.00	28.94	40.93	47.74	26.38
C1(b) Supply at 400 Volts-exceeding 5 kW	-	1,250	19.42	37.79	17.27	38.04	18.53	17.16	17.49	15.43	27.42	32.00	12.87
Time of Use (TOU) - Peak	-	-	30.82	42.28	28.00	49.38	30.02	28.84	28.08	27.79	38.87	45.28	24.27
Time of Use (TOU) - Off-Peak	-	1,250	24.47	42.94	21.65	45.03	23.87	22.19	22.71	20.45	32.52	38.93	17.92
C2 Supply at 11 KV	-	1,250	20.12	38.60	16.10	38.75	18.28	17.87	18.20	18.14	28.13	33.06	13.67
Time of Use (TOU) - Peak	-	-	33.12	62.17	31.43	62.03	32.59	31.21	31.41	29.43	41.72	48.33	26.57
Time of Use (TOU) - Off-Peak	-	1,250	17.38	35.88	15.16	35.98	17.02	15.42	15.82	13.86	25.16	33.11	11.37
C3 Supply above 11 KV	-	1,250	28.21	45.28	25.82	45.52	27.25	25.81	26.08	23.99	34.91	41.72	21.66
Time of Use (TOU) - Peak	-	-	37.94	55.01	31.35	55.26	36.99	35.55	35.81	33.72	44.64	51.45	31.39
Time of Use (TOU) - Off-Peak	-	1,250	26.28	43.03	23.67	43.58	25.32	23.87	24.13	22.04	32.96	39.77	19.71
Total Single Point Supply													
Agricultural Tube-wells - Tariff D													
Scarp			25.18	42.30	23.02	43.51	22.83	22.84	21.34	18.52	33.18	38.84	18.05
Time of Use (TOU) - Peak	-	-	22.17	38.38	19.87	40.40	19.81	20.10	18.00	18.64	30.30	38.78	15.07
Time of Use (TOU) - Off-Peak	-	400	20.00	37.19	17.79	38.22	17.84	17.83	15.83	14.38	28.12	34.81	12.90
Agricultural Tube-wells	-	400	32.80	49.51	30.48	31.20	30.16	30.47	28.79	27.13	41.03	47.67	25.88
Time of Use (TOU) - Peak	-	-	36.59	53.53	34.28	54.81	33.98	34.28	32.65	30.88	44.73	51.51	29.49
Time of Use (TOU) - Off-Peak	-	400	20.55	48.17	25.72	50.38	28.39	29.70	28.88	20.55	37.30	45.85	24.89
Total Agricultural													
Public Lighting - Tariff G	2,000	-	29.73	47.04	27.58	48.33	27.18	27.77	27.51	24.08	37.73	45.39	22.38
Residential Colonies	2,000	-	25.07	42.47	22.81	43.87	22.52	23.11	23.13	19.41	33.07	40.73	17.71
Railway Traction	2,000	-	-	-	-	-	25.45	-	26.08	-	-	-	-
Tariff K - AJC	-	1,250	-	-	22.95	-	-	-	-	22.03	-	-	18.55
Time of Use (TOU) - Peak	-	-	-	-	29.28	-	-	-	-	25.68	-	-	24.88
Time of Use (TOU) - Off-Peak	-	1,250	-	-	24.58	-	-	-	-	21.18	-	-	20.16
Tariff K - Rawal Lab	2,000	-	-	-	-	-	-	-	-	28.26	-	-	20.28
Pro-paid Supply Tariff													
Residential	1,000	-	40.82	55.17	39.15	59.58	37.94	39.24	38.86	34.82	47.88	58.70	34.29
Commercial - A2	-	1,250	30.87	50.18	28.23	52.14	27.77	28.34	27.87	24.50	37.88	48.53	22.54
General Services - A3	1,000	-	38.19	55.15	33.79	57.38	32.82	33.27	32.49	29.10	45.11	54.07	27.80
Industrial	-	1,250	40.19	50.00	28.48	55.00	34.80	24.81	23.61	28.32	31.70	29.07	30.23
Single Point Supply	-	1,250	25.10	46.63	21.88	48.11	24.63	25.29	25.62	23.43	34.82	42.66	19.85
Agriculture Tube-wells - Tariff D	-	400	33.25	50.24	32.03	38.03	34.49	35.01	32.10	26.26	41.97	45.31	28.32



M/18

**SCHEDULE OF ELECTRICITY TARIFFS**  
**NATIONAL AVERAGE UNIT RATE, DETAILED TARIFF, WITHOUT PVA ALONG WITH GOP APPLICABLE TARIFF**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cent / M	FEDDED CHARGES Rs./kWh/M	UNIFORM DETERMINED TARIFF WITHOUT FVA VARIABLE CHARGES		GOF APPLICABLE VARIABLE CHARGES Rs./kWh
				Rs./kWh	Rs./kWh	
		A	B	C	D	
b) Per Bunched load less than 6 kWh						
i	Up to 60 Units - Life Line			36.43	36.43	3.35
ii	61 - 100 Units - Life Line			38.37	38.37	7.74
iii	101 - 300 Units			36.33	36.33	10.64
iv	301 - 300 Units			33.31	33.31	13.01
v	301 - 100 Units			26.45	26.45	22.66
vi	101 - 200 Units			25.34	25.34	20.01
vii	201 - 300 Units			25.50	25.50	33.10
viii	301 - 400 Units	200		34.10	34.10	37.65
ix	401 - 500 Units	400		34.58	34.58	40.30
x	501 - 600 Units	600		34.18	34.18	41.42
xi	601 - 700 Units	800		34.03	34.03	42.75
xii	Above 700 Units	1,000		34.30	34.30	47.69
b) Per Bunched load 6 kWh & above						
Time Of Use						
Peak	Off-Peak	Peak	Off-Peak			
1,000		32.74	30.28	46.85	40.83	
1,500				46.85		48.12

As per Authority's decision only potential tenders/3 statements will be given the 1st/2nd of the previous day.

As per Authority's decision only **residential customers** will be given the benefit as per previous rates.  
As per Authority's decision, **residential** **all** **its** **customers** will not be given any **club** **benefit**.  
Under tariff Act, there shall be minimum monthly customer charge at the following rates even if no energy is consumed. For customers where monthly fixed charges are applicable, no minimum charge shall be applicable as per requirement. **same** **if** **no** **energy** **consumed**.

GENERAL SUPPLY TARIFF - COMMERCIAL

Sr. No.	TARIFF CATEGORY / PARTICIPANTS	FIXED CHARGES	FIXED CHARGES	UNIFORM INTRASTATE TARIFF WITHOUT FVA	NO APPLICABLE VARIABLE CHARGES
		Rs. / Secu. / M	Rs. / M	Rs. /kWh	Rs. /kWh
a)	For衡制ed load less than 6 MW	1,000		23.64	37.64
b)	For衡制ed load 6 MW & above		1,350	25.10	39.26
c)	Time Of Use			Peak 32.64	Off-Peak 43.83
d)	Priority Vehicle, Sherdawala Bima		1,350	24.60	35.16
e)	Priority Commercial Bima Tariff			31.08	33.67
f)	Pre-Paid Commercial Bima Tariff		1,350	29.86	42.59

Where Fixed charges are applicable Rs.100/-/Month, the charges shall be based based on 25% of portion of land or actual area for the month which ever is higher.

GENERAL SERVICES OF CANADA

Sl. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES		UNIFORM DETERMINED TARIFF WITHOUT FVA		GCV APPLICABLE VARIABLE CHARGES	
		Rs. / Unit / Month	Rs./kWh/M	Rs./kWh	Rs./kWh		
		A	B	C	D		
1) General Services		1,000		31.83		43.48	

Where Fixed Charges are applicable (i.e. KWH/Month), the charges shall be billed based on 25% of estimated Load or Actual KWH for the month which ever is higher.

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES		UNIFORM DETERMINED TARIFF WITHOUT FTA VARIABLE CHARGES		OFG APPLICABLE VARIABLE CHARGES	
		Rs / Year / M	Rs/kWh/M	Rs/kWh	Rs/kWh	Rs/kWh	Rs/kWh
11	Up to 22 kW (at 400/230 Volts)	1,000	-	31.64	-	39.00	
12(a)	exceeding 22-600 kW (at 400 Volts)	-	1,350	-	27.79	-	30.73
13   14	Time Of Use						
13	Up to 22 kW	1,000	-	34.12	29.66	38.74	30.03
13   14	exceeding 22-600 kW (at 400 Volts)	-	1,350	34.28	24.71	36.68	27.41
15	Var All Loads up to 6000 kW (at 11.23 kV)	-	1,350	34.34	19.92	36.68	28.24
16	Var All Loads (at 400/110 kV & above)	-	1,350	34.41	23.89	36.68	37.55

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Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	UNIFORM DETERMINED TARIFF WITHOUT FVA VARIABLE CHARGES	GDP APPLICABLE VARIABLE CHARGES
		Rs. / Cents / M	Rs. /kWh/M	Rs./kWh	Rs./kWh
C-1	For supply at 400/230 Volts	0	0	0	0
a)	Sanctioned load less than 8 kW	2,000		33.95	43.39
b)	Sanctioned load 8 kW & up to 500 kW	+	1,250	27.14	40.63
C-2(b)	For supply at 11.33 KV up to and including 6000 kW	+	1,250	21.19	30.87
C-3(a)	For supply at 66 KV & above and sanctioned load above 6000 kW	+	1,250	16.87	20.77
Time Of Use					
C-3(b)	For supply at 400/230 Volts & kW & up to 500 kW	+	1,250	34.25	46.31
C-3(c)	For supply at 11.33 KV up to and including 6000 kW	+	1,250	34.56	46.31
C-3(d)	For supply at 66 KV & above and sanctioned load above 6000 kW	+	1,250	35.05	46.31
Peak Load Multi Monthly Tariff					
				37.94	46.37

Where Fixed Charges are applicable Rs./kW/Hourly, the charges shall be billed based on 25% of sanctioned Load or Actual MDF for the month which ever is higher.



BY THE GOVERNMENT OF INDIA, WHICH IS THE SCHEDULE OF ELECTRICITY TARIFFS, WHICH IS THE NATIONAL AVERAGE UNIT FROM DETERMINED TARIFF, WITHOUT PAYING ALONG WITH THE APPLICABLE TARIFF.

Sl. No.	TARIFF CATEGORY / PARTICULARS	PEAK CHARGES Rs. / Sec. / M.	FIXED CHARGES Rs./KWHM.	UNIFORM DETERMINED TARIFF WITHOUT FVA VARIABLE CHARGES		GOF APPLICABLE VARIABLE CHARGES Rs./Kwh
				A.	C.	
D-1(a)	SCAMP less than 6 KW	-	-		37.33	39.87
D-3(a)	Applicability Rule Wells	-	400		31.18	28.84
D-1(b)	SCAMP of 6 KW & above	-	-	Falk	OffPeak	Falk
D-2(b)	Applicability of 6 KW & above	-	400	\$4.86	31.17	34.71
D-3(b)	Off Peak	-	400	3.18	29.05	28.84
D-4(b)	Peak	-	400	35.84	33.16	33.16

Under this tariff, there shall be minimum monthly charges Rs.1000/- per consumer per month, even if no energy is consumed. Extra- The consumers having sanctioned load less than 6 kW can opt for TOT metering.

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Sl. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES		UNIFORM DETERMINED TARIFF WITHOUT PVA VARIABLE CHARGES		GOF APPLICABLE VARIABLE CHARGES	
		Rs. / Cent / M	Rs./kW/M	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh
	A	B	C	D	E	F	G
B-3(i)	Residential Supply	2,000		33.90		57.94	
B-3(ii)	Commercial Supply	8,000		34.32		63.44	
B-3(iii)	Commercial & Industrial Supply	10,000		34.05		62.05	

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125% of relevant industrial tariff  
Notes: Tariff/Tariff measure will have the option to convert to Revenue Tariff and vice versa. This option can be exercised at the time of a day reclassification or at the

beginning of the season. Once exercised, the option remains in force for at least one year.

Sl. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	STANDBY DETERMINED TARIFF WITHOUT PYA VARIABLE CHARGES	GOF APPLICABLE VARIABLE CHARGES
		Rs. / Cent / M	Rs. /kW/M	Rs. /kWh	Rs. /kWh
	A	B	C	D	E
1	Standby	Rs. 3000		Rs. 32.55	Rs. 45.81

Sl. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FOOD CHARGES	UNIFORM DETERMINED TARIFF WITHOUT PTA VARIABLE CHARGES	SOI APPLICABLE VARIABLE CHARGES
		Rs. / CWT / M	Rs./kW/M	Rs./kW/H	Rs./kWh
1	Residential Category attached to Industrial Premises	3	1	25.50	41.10

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Sl. No.	TARIFF CATEGORY / PARTICULARS	FOOD CHARGES	FOOD CHARGES	UNIFORM DETERMINED TARIFF WITHOUT PTA VARIABLE CHARGES	COOP APPLICABLE VARIABLE CHARGES
		Rs./ kWh	Rs./kWh	Rs./kWh	Rs./kWh
3	AMC & Janmabhumi (AMC)	-	4.350	22.65	36.4K
	Time of Use		1.750	7.04	10.57
	Off-Peak		1.750	31.48	35.53
	Peak		2.000	34.26	42.36

S. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGE	UNIFORM DETERMINED TARIFF WITHOUT PVA	GOP APPLICABLE VARIABLE CHARGES
		Rs. / Cents / M	Rs./P.W.H	Rs./kWh	Rs./kWh
	A	B	C		D
1	Variable Tariff	2.00		16.01	48.54



## ----- 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
1-100 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
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**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	-	-	42.25
E-2 (i) Temporary Industrial	5,000	-	

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## 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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**C - Bulk Supply Tariff**

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

**D - Agriculture Tariff**

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

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: *[Signature]*



Registrar

# National Electric Power Regulatory Authority

## Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad.

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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/TRF-624/MEPCO-Distribution/2025/ 264-71

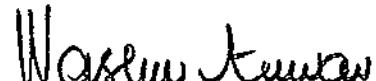
January 07, 2026

**SUBJECT: DETERMINATION OF THE AUTHORITY IN THE MATTER OF PETITION FILED BY MULTAN ELECTRIC POWER COMPANY LIMITED (MEPCO) 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 49 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

  
(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), Shafeen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
6. Chief Executive Officer, Multan Electric Power Co. Ltd. , MEPCO Headquarter, Khanewal Road, Multan
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-624/MEPCO-Distribution/2025

DETERMINATION OF DISTRIBUTION TARIFF PETITION  
FOR  
MULTAN ELECTRIC POWER COMPANY LIMITED (MEPCO)  
FOR THE FY 2025-26 – FY 2029-30  
UNDER

NEPRA TARIFF (STANDARDS AND PROCEDURE) RULES - 1998

Islamabad

JANUARY 07, 2026

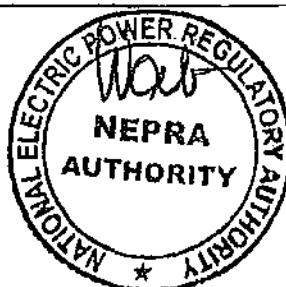


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Abbreviations

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
MEPCO	Multan 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
TEC	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

*Q. Murtuza*





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

**CASE NO. NEPRA/ TRF-624/MEPCO-Distribution/2025**

**PETITIONER**

MEPCO Headquarters, Khanewal Road, Multan.

**INTERVENER**

NIL

**COMMENTATOR**

NIL

**REPRESENTATION**

Chief Executive Officer along-with its Technical & Financial Team



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## 1. Background

- 1.1. The Authority awarded a Multi-Year Tariff (MYT) to Multan Electric Power Company (MEPCO), for a period of five years, commencing from 1<sup>st</sup> July 2021 till 30<sup>th</sup> June 2025. Upon expiry of the said MYT on 30.06.2025, MEPCO (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 tariff under the MYT Regime for a further 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. MEPCO 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 level of investments and target of T&D losses. However, the petitions were filed with considerable delay, and were based on the requested numbers of investment and T&D losses. MEPCO also requested the grant of interim tariff for the FY 2025-26, in order to allow for timely rebasing of consumer-end tariff effective from July 1, 2025, as considerable time would be required to finalize the MYT petitions. The Authority acceded to the request of MEPCO and granted an "Interim tariff", vide its decision dated 23.06.2025 for FY 2025-26, subject to adjustment and/ or refund, on the basis of 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 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Pay & allowances	Rs. Mln	20,899	24,077	27,902	32,516	38,256
Post-retirement Benefits	Rs. Mln	27,536	28,845	32,026	41,901	31,999
ERP	Rs. Mln	17	21	23	24	26
Management Fee	Rs. Mln	157	174	193	215	239
Repair and Maintenance	Rs. Mln	2,387	2,651	2,944	3,270	3,632
Travelling expenses	Rs. Mln	1,689	2,053	2,454	2,961	3,605
Vehicle expenses	Rs. Mln	1,116	1,239	1,453	1,728	2,078
Billing office expenses	Rs. Mln	1,572	1,745	1,937	2,150	2,387
Other expense	Rs. Mln	130	144	160	178	197
<b>Total O&amp;M Costs</b>	<b>Rs. Mln</b>	<b>55,501</b>	<b>60,949</b>	<b>69,093</b>	<b>84,943</b>	<b>82,418</b>
Depreciation	Rs. Mln	8,944	10,397	11,839	13,157	14,362
Return on Rate Base	Rs. Mln	16,281	19,737	22,920	25,029	26,630
<b>Gross Distribution Margin</b>	<b>Rs. Mln</b>	<b>80,725</b>	<b>91,082</b>	<b>103,851</b>	<b>123,129</b>	<b>123,411</b>
Less: Other Income	Rs. Mln	(8,731)	(9,213)	(9,701)	(10,193)	(10,641)
<b>Net Distribution Margin</b>	<b>Rs. Mln</b>	<b>71,994</b>	<b>81,869</b>	<b>94,150</b>	<b>112,936</b>	<b>112,770</b>
Prior Year Adjustment	Rs. Mln	20,494			"	
<b>Total Revenue Requirement</b>	<b>Rs. Mln</b>	<b>92,488</b>	<b>81,869</b>	<b>94,150</b>	<b>112,936</b>	<b>112,770</b>
Projected Sales	GWh	17,184	17,333	17,491	17,658	17,834
Requested Tariff	Rs./kWh	5.38	4.72	5.38	6.40	6.32

## 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 claimed in the petition 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. The hearing in the matter was scheduled on November 04, 2025, for which a notice of admission / hearing along-with the title and brief description of the petition, was published

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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 the hearing, and based on the pleadings, the following issues were framed for consideration 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 14.06% 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 the requested PYA is justified?
- viii. Whether there will be any claw back mechanism or not?
- ix. 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 (IRs), if any, were invited from interested person/ party within 7 days of the publication of the notice of admission, in terms of Rule 6, 7 and 8 of the Rules. In response no intervention request/ comments were received.

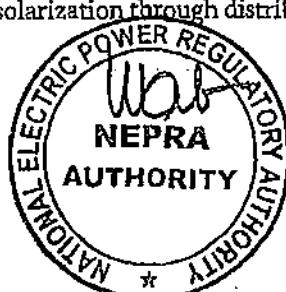
4.2. During the hearing, the Petitioner was represented by its Chief Executive Officer along with its technical and financial teams.

4.3. On the basis of pleadings, evidence/record produced, and the arguments raised during the hearing, the issue-wise findings of the Authority are given as under;

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

5.1. The Petitioner, in its petition, submitted that Power Market Survey (PMS) projects a modest YoY growth in energy sales and demand; however, actual data for the base year FY 2023-24 and current year FY 2024-25 reflects a decline. It was submitted that MEPCO's PMS forecast 2024-34 is based on a compound annual growth rate (CAGR) of 0.99% (for ten years) while NTDC IGCEP 2024-34 is based on a (CAGR) of 2.8%. MEPCO's monthly demand (MW) for FY 2024-25 upto March 2025 remained lower than that of the previous year, FY 2023-24, reflecting an average decline of 5%. Likewise, a decline of 6.2% in progressive sales of MEPCO up to March 2025, as compared to that of FY 2023-24 is observed. This decline is largely attributable to rapid solarization through distributed solar generation (DG), whereby

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consumers increasingly rely on self-generation, resulting in reduced MEPSCO's grid-based sales and shifting peak demand to evening hours. While forecasts assumed growth based on expected policy developments such as reduced regulated tariffs, integration of CPPs with the grid, and changes in net metering arrangements, which were anticipated to encourage self-consumption rather than surplus energy exports to grid. As a result of above factors, recent data shows a slight recovery in sales (0.7%) and demand (8%) in March 2025, suggesting a potential upward trend as consumers move toward self-consumption rather than exporting electricity to MEPSCO network.

Consumer Category	Projected Increase in No. of Consumers				
	2025-26	2026-27	2027-28	2028-29	2029-30
Residential	553,311	591,346	631,995	675,439	721,869
Commercial	27,624	28,744	29,909	31,122	32,384
Industrial	1,428	1,461	1,494	1,527	1,563
Bulk supply	34	37	39	42	45
Agriculture	7,108	7,549	8,017	8,514	9,042
Others	145	155	166	177	190
Total	589,650	629,291	671,620	716,822	765,092

Consumer Category	Projected Load of New Consumers				
	2025-26	2026-27	2027-28	2028-29	2029-30
Residential	1149.13	1245.51	1350.06	1463.47	1586.52
Commercial	117.16	125.09	133.56	142.6	152.26
Industrial	92.5	99.34	98.26	101.27	104.38
Bulk supply	9.34	9.8	10.28	10.79	11.31
Agriculture	132.44	141.34	150.85	160.99	171.82
Others	0.83	0.86	0.9	0.93	0.97
Total	1,501	1,618	1,744	1,880	2,027

F.Y.	Demand Growth Projection			
	Energy		Peak Demand	Peak Demand
	Sales		11-KV	132-KV
	(GWh)	(G.R)	(MW)	(MW)
2025-26	17,184	0.85	4,292	4,336
2026-27	17,333	0.86	4,336	4,380
2027-28	17,491	0.92	4,378	4,422
2028-29	17,658	0.95	4,423	4,467
2029-30	17,834	1	4,466	4,511

Power Purchase Price (PPP) Break-up (Rs. In Million)					
Description	2025-26	2026-27	2027-28	2028-29	2029-30
Energy Transfer Charge	178,893	178,706	179,158	179,923	180,907
Capacity Transfer Charge	342,676	342,319	343,195	344,677	346,572
Use of System Charges (UoSC)	27,676	27,647	27,718	27,839	27,992
Market Operator Fee (MoF)	138	138	139	139	140
Power Purchase Price	549,383	548,811	550,211	552,578	555,611

- 5.2. The Petitioner during the hearing reiterated its earlier submissions.
- 5.3. 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 the Rule 3(1) of Part II and Rule 4(7) of the Rules 1998 and NEPRA Performance Standards (Distribution) Rules 2005. As per Rule 17 (3) (1) of the Rules, tariff should allow the licensee, recovery of any and all costs prudently incurred to meet the demonstrated needs of their consumers. The Petitioner also submitted that it has filed its investment Plan and assessment of T&D losses for a period of five years, which are presently under deliberation before the Authority.

6.2. The Authority observed the Petitioner has requested for five-year tariff control period, in line with its five years investment plan. The Authority further noted that the approval of the investment plan and assessment of T&D losses of the Petitioner for a 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 year i.e. from FY 2025-26 till FY 2029-30. The terms and 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/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?

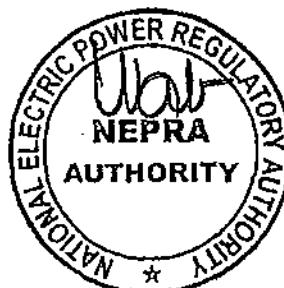
8.1. The Petitioner submitted the following projections along-with justification for each head as under;

Description	Operating & Maintenance Cost Break-Up (Rs. in Millions)				
	2025-26	2026-27	2027-28	2028-29	2029-30
Pay & Allowances	20,899	24,077	27,902	32,516	38,256
Post-Retirement Benefits	27,536	28,845	32,026	41,901	31,999
Repair & Maintenance	2,387	2,651	2,944	3,270	3,632
Travelling Expenses	1,689	2,053	2,454	2,961	3,605
Transportation	1,116	1,239	1,453	1,728	2,078
Other Operating Expenses	1,875	2,084	2,313	2,567	2,848
Total	55,501	60,949	69,093	84,943	82,418

✓ Increase in Pay and Allowances is attributable, inter alia, to annual increments, impact of promotions/up-gradations, and expected annual increase/review pay scales by the GoP during MYT control period.

Plan for Additional Hiring:

✓ MEPCO reported a staff shortfall of approximately 44.40% as of June-2024 with a working strength of 14,246 employees against a sanctioned strength of 25,656 in different cadres. The following manpower statistics as of June-2024 highlights the shortage of staff in the company:





Manpower Statistics (As of June-2024)				
Sr. No.	Categories	Sanctioned Strength	Working Strength	Vacant
1	Officers	763	514	249
2	Officials	24,883	13,732	11,151
	Total	25,646	14,246	11,400

*Note: 2,959 employees have been engaged through Outsourcing/Third Party Hiring.*

Proposed Hiring/New Induction:

- ✓ MEPCO hereby proposes induction of employees against critical vacant positions as per approved yard stick as well as hiring against creation of new offices/formations as tabulated below:

Proposed Hiring/New Induction					
Description	2025-26	2026-27	2027-28	2028-29	2029-30
No. of Employees	1,821	986	885	969	1,035
Projected Annual Cost (Mil. Rs.)	1,315	1,293	1,718	2,262	2,987

Plan for Replacement Hiring:

- ✓ In order to reduce the acute shortage of manpower to meet the technical and operational targets, it has been proposed that 1,134 vacancies are to be filled by the Company during FY 2025-26. This recruitment will increase the first year O&M Cost by PKR 835 million. The proposed recruitment will take place in following cadres:

Replacement Hiring					
BPS	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
BPS 1 to 5	474	70	60	70	50
BPS 7	115	35	25	30	25
BPS 9	209	110	80	100	75
BPS 11	102	70	50	60	40
BPS 14	77	56	43	37	39
BPS 15	105	57	59	38	42
BPS 17	37	26	31	23	26
BPS 18	8	-	-	-	-
BPS 19	6	-	-	-	-
BPS 20	5	-	-	-	-
Total	1,134	424	348	358	297

Plan for Hiring Against Creation of New Offices/Formations:

- ✓ MEPCO has proposed manpower hiring during MYT control period against the creation of Proposed New Offices/Formations as tabulated below:

New Induction against Creation of New Offices					
Description	2025-26	2026-27	2027-28	2028-29	2029-30
No. Of Employees	606	562	537	611	738
Projected Annual Cost (Mil. Rs.)	480	944	1,403	1,946	2,698

8.2. Further, the company has included 81 pending cases under in-service death quota as part of proposed hiring / induction.

Pay & Allowances and Employee Benefits:

- ✓ The Pay & Allowances for FY 2025-26 have been estimated to be Rs. 22,301 million, out of which Rs. 20,899 (M) & Rs. 1,403 (M) have been projected for Wire Business & Power Supply Business respectively. Pay & Allowances and Employee Benefits including Retirement Benefits constitute a major portion of the Company's O&M expenses.



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**Pay & Allowance and Employee Benefits**

Description	2025-26	2026-27	2027-28	2028-29	2029-30
Salaries, Wages & Benefits	22,301	25,693	29,775	34,698	40,824
Proj.Cost-Wire Business (Mil. Rs.)	20,899	24,077	27,902	32,516	38,256
Proj.Cost-Supply Business (Mil. Rs.)	1,403	1,616	1,873	2,183	2,568

**Staff Retirement Benefits:**

- ✓ The Petitioner submitted that MEPCO provides various employee benefit schemes, including a Pension Scheme, Free Electricity Scheme, Free Medical Facility Scheme and Encashment of Accumulated Compensated Absences.
- ✓ Obligations under such schemes are assessed annually by a qualified Actuarial Consultant using the Projected Unit Credit Actuarial Cost Method. Re-measurement of net defined benefit liability is recognized through Other Comprehensive Income (OCI).
- ✓ Provisions for Post-Retirement Benefits (PRB) are recognized in line with the requirements of IAS-19, based on third party actuarial valuations conducted by Independent Actuaries, which require MEPCO to maintain funded Pension Trust Fund at par with total PRB liability. However, MEPCO could not maintain Pension Fund in accordance with PRB Liability due to the reasons that NEPRA allowed PRB only to the extent of actual payments rather than on a provision basis. The petitioner submitted that during FY 2008-09 to FY 2014-15, NEPRA allowed Pay & Allowances inclusive of Post-Retirement Benefits and no separate amount of PRB was not determined by the Authority. The detail of Pay & Allowance (including PRB) determined by NEPRA & actual Pay & Allowances / PRB Provision is given below

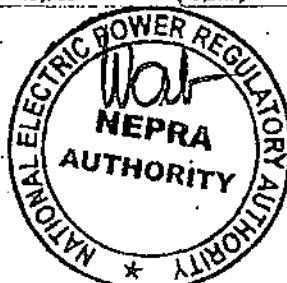
**Pay & Allowances/PRB Actual & Determined by NEPRA (Rs. In Million)**

F.Y.	Actual		Determined by NEPRA	Less Determined
	Pay & Allowances	PRB Provision		
2008-09	2,512	931	3,443	3,035 (408)
2009-10	2,674	1,759	4,433	3,490 (943)
2010-11	3,687	2,009	5,696	4,014 (1,682)
2011-12	4,467	2,527	6,994	4,616 (2,378)
2012-13	5,399	2,618	8,017	5,405 (2,612)
2013-14	5,575	3,093	8,688	6,322 (2,346)
2014-15	8,630	3,814	12,444	6,649 (5,795)
<b>Total</b>	<b>32,946</b>	<b>16,749</b>	<b>49,695</b>	<b>33,531 (16,164)</b>

- ✓ The comparison of PRB allowed by NEPRA & Actual PRB Provision recorded during FY 2015-16 to FY 2019-20 is as under:

**PRB Allowed by NEPRA & Actual PRB Provision (Rs. In Million)**

F.Y.	PRB Determined by NEPRA	Actual PRB Provision		Less Determined
		PRB	Less Determined	
2015-16	2,134	7,327	(5,193)	
2016-17	2,461	4,930	(2,469)	
2017-18	2,707	6,550	(3,843)	
2018-19	4,232	8,679	(4,447)	
2019-20	4,656	12,233	(7,577)	
<b>Total</b>	<b>16,190</b>	<b>39,719</b>	<b>(23,529)</b>	



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- ✓ The Petitioner further highlighted that, due to the re-measurement of PRB Liabilities, MIEPCO charged PRB through Other Comprehensive Income (OCI) as required under IFRS-19. The details thereof of is are provided below:

Table 6.12: PRB Charged to OCI

F.Y.	PRB Charged to OCI	F.Y.	PRB Charged to OCI
2008-09	3,301	2014-15	1,160
2009-10	5,732	2015-16	8,044
2010-11	9,052	2016-17	11,466
2011-12	-	2017-18	10,918
2012-13	3,084	2018-19	4,593
2013-14	1,735	2019-20	(5,674)
	Total		(53,410)

- ✓ The petitioner submitted that the foregoing explanation demonstrates that MIEPCO was not provided any cushion by the Regulator to finance its Pension Fund at par with PRB Liability. In these circumstances, the Company was able to credit an amount of Rs. 2,341 million to the MIEPCO Employees Pension Fund up to June, 2020.
- ✓ MIEPCO submitted its Multi-Year Tariff (MYT) Petition for Tariff Control Period FY 2020-21 to FY 2024-25. The Authority, for the first time, allowed PRB Provision to MIEPCO on the basis of latest available Audited Financial Statements, however with a gap of 02-years i.e. provision for PRB allowed for FY 2024-25 on the basis of Audited Financial Statements for FY 2022-23. Resultantly MIEPCO obligation under PRB have increased by Rs. 83,337 (M) i.e. Rs. 80,583 (M) as on June-2020 to Rs. 163,920 (M) on June-2024. The detail of PRB Allowed, Actual Expenditure and the amount transferred to Pension Fund is as under:

PRB Allowed, Actual Expenditure & Transferred to Fund (Rs. In Million)

F.Y.	Actual PRB Provision & OCI	PRB Determined	Actual PRB Paid	Amount Transferred to Pension Fund
2020-21	13,963	8,877	5,504	790
2021-22	26,876	9,765	5,795	2,065
2022-23	38,711	10,604	8,027	3,114
2023-24	37,611	10,106	8,837	5,227
2024-25 (Dec. 2024)	30,438	18,328	5,093	6,067
Total	147,599	57,680	33,256	17,263

Note: MYT was effective from July-2022 & Profit/mark-up impact also incorporated.

- ✓ Accordingly, the Pension Fund stood at Rs. 19,604 million as of Dec. 2024, whereas the PRB liability recorded in the Balance Sheet as of 31<sup>st</sup> Dec. 2024 amounted to Rs. 167,930 million, reflecting a funding gap between PRB Liabilities and the assets of the pension fund.

Potential Option for Determination of PRB Provision:

- ✓ MIEPCO current PRB obligation stands at Rs. 163,920 (M) as on June-2024, and the Company is unable to cater this obligation through separate fund due to insufficient cash flows. On this basis, the petitioner requested that the Authority may consider allowing PRB Provision, inclusive of re-measurement of net defined benefit liability recognized through OCI, on the basis of projected amount calculated by the Third Party (Actuarial Consultant) for respective year.



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- ✓ Keeping in view the above, Provision for Post-Retirement Benefits including measurement recognized through OCI, has been projected on the basis of Actuarial Valuation Report for MYT control period FY 2025-26 to FY 2029-30, is detailed hereunder:

Post-Retirement Benefits Break-Up (PKR Millions)						
	2025-26	2026-27	2027-28	2028-29	2029-30	Total
Pension	24,863	25,791	28,529	38,592	27,494	145,269
Medical	1,651	1,787	2,015	2,141	2,241	9,835
Free Electricity	1,648	1,824	2,034	2,215	2,428	10,149
Leave encashment	1,223	1,380	1,598	1,765	1,983	7,949
Total	29,384	30,781	34,176	44,714	34,147	173,202
Cost-Wire Business	27,536	28,845	32,026	41,901	31,999	162,307
Cost-Supply Business	1,848	1,936	2,150	2,813	2,148	10,895

- ✓ NEPRA is requested to allow the amount of retirement benefits for the tariff control period subject to adjustment on actual basis.

**Other Operating Expenses:**

- ✓ All Other O&M Expenses have been projected @ CPI-X during the entire MYT Control Period.
- ✓ The Petitioner during the hearing presented following request:

Description	FY 2025-26	FY 2025-26	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Interim Tariff	Projected	Projected Per Unit	Projected	Projected	Projected	Projected
Repair & Maintenance (DOB)	2,262	2,387	0.14	2,651	2,916	3,270	3,632
Repair & Maintenance (SOP)	-	50	0	54	63	69	76
Total Repair & Maintenance	2,262	2,437	0.14	2,707	3,006	3,339	3,708
Traveling Expenses (DOB)	1,656	1,649	0.1	1,653	1,654	1,661	1,665
Traveling Expenses (SOP)	302	247	0.01	300	339	333	327
Total Traveling Expenses	1,958	1,896	0.11	2,353	2,613	3,394	4,132
Entertainment Expenses (DOB)	754	1,316	0.06	1,239	1,553	1,718	2,078
Entertainment Expenses (SOP)	-	15	0	50	58	70	81
Total Entertainment Expenses	754	1,316	0.07	1,289	1,612	1,798	2,161
Me. O&M Expenses (DOB)	1,091	1,876	0.11	2,084	2,313	2,567	2,849
Me. O&M Expenses (SOP)	752	4,063	0.24	4,516	5,010	5,560	6,170
Total Me. O&M Expenses	3,343	5,939	0.35	6,600	7,323	8,127	9,019
O&M Cost Excl. Employee Cost (DOB)	-	-	-	-	-	-	-
O&M Cost Excl. Employee Cost (SOP)	3,373	7,048	0.41	8,077	9,164	10,526	12,161
Total O&M Cost Excl. Employee Cost	3,373	4,405	0.26	4,972	5,689	6,132	6,857
Repair & Maintenance Employee Cost	8,137	11,473	0.57	12,949	14,653	16,658	19,021
Repair & Maintenance (SOP)	2,262	2,387	0.14	2,651	2,916	3,270	3,632
Total Repair & Maintenance	10,400	13,860	0.1	15,590	17,569	19,929	22,653
Traveling Expenses (DOB)	1,656	2,437	0.14	2,707	3,006	3,339	3,708
Traveling Expenses (SOP)	302	247	0.01	300	339	333	327
Total Traveling Expenses	1,958	1,896	0.11	2,353	2,613	3,394	4,132
Transportation Expenses (DOB)	754	1,116	0.06	1,219	1,453	1,728	2,078
Transportation Expenses (SOP)	-	45	0	50	58	70	81
Total Transportation Expenses	754	1,116	0.07	1,219	1,511	1,798	2,161
Me. O&M Expenses (DOB)	1,091	1,876	0.11	2,084	2,313	2,567	2,849
Me. O&M Expenses (SOP)	752	4,063	0.24	4,516	5,010	5,560	6,170
Total Me. O&M Expenses	3,343	5,939	0.35	6,600	7,323	8,127	9,019
O&M Cost Excl. Employee Cost (DOB)	-	-	-	-	-	-	-
O&M Cost Excl. Employee Cost (SOP)	3,373	7,048	0.41	8,077	9,164	10,526	12,161
Total O&M Cost Excl. Employee Cost	3,373	4,405	0.26	4,972	5,689	6,132	6,857
Me. O&M Cost Excl. Employee Cost	8,137	11,473	0.57	12,949	14,653	16,658	19,021
Total O&M Cost (DOB)	11,379	48,671	2.01	53,390	60,377	72,913	76,372
Total O&M Cost (SOP)	10,522	32,723	0.78	34,711	46,559	58,655	62,633
G.Total O&M Cost	31,901	81,394	3.0	88,101	106,837	123,899	139,006

- ✓ While justifying its request, MEPCO submitted during the hearing the following basis for projections of different components of margin for distribution and supply functions;
  - Salaries & Wages: Annual Increase @ 5% has been projected on account of annual increment, promotion & up-gradation. Adhoc Relief @ 20% projected for FY 2025-26 & @ 15% for each subsequent year of MYT control period.



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- Post Retirement Benefits: PRB Provision has been incorporated on the basis of Actuarial Valuation Report as per Projected Unit Credit (PUC) Method prescribed under IAS-19.
- With respect to , Repair & Maintenance, Travelling Expense, Transportation Expense, Other O & M Expenses, the petitioner submitted that these O&M costs have been projected based on the CPI which has been assumed to be at par with projected KIBOR i.e. @ 12.06% for FY 2025-26 & @ 11.06% for FY 2026-27 through FY 2029-30.
- MEPCO also submitted analysis regarding Pol prices and requested that Vehicle running expense be linked with change in fuel prices instead of CPI.

#### Ageing of MEPCO Transport Fleet

Ageing of Vehicles	No. of Vehicles	Percentage
30-Years & above Old	250	22%
20-30 Years Old	393	35%
11-20 Years Old	229	21%
0-10 Year Old	251	22%
Total	1,123	100%

#### Analysis of POL Rates & Transportation Expense Allowed, by NEPRA

POL Rates June-2020	Rs. 100.10 Per Liter
POL Rates June-2025	Rs. 258.16 Per Liter
Increase In Rates Amount	Rs. 158.06 Per Liter
Increase in Rates (%)	158%
Transportation Expense Allowed In 2020	Rs. 400 (M)
Transportation Expense Allowed In 2025	Rs. 725 (M)
Increase In Amount	Rs. 325 (M)
Increase (%)	81%
Increase Required by POL Rate Increase	Rs. 1,032 (M)

- The Petitioner submitted that O&M Cost has been bifurcated into Controllable and Un-Controllable components.

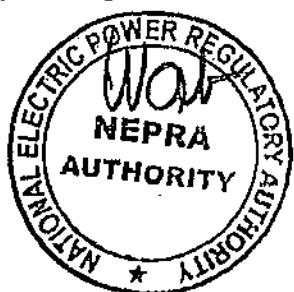
#### Un-Controllable Components:

- The Un-Controllable portion comprises Salaries & Wages of employees and Staff Retirement Benefits. MEPCO has adopted the National Pay Scales for its regular employees along with Staff Retirement Benefits of the Federal Government.
- The Petitioner submitted that it has introduced lump sum packages for new inductions and its increase is subject to CPI, which will be a pass-through cost.
- R&M mainly comprises maintenance of Distribution Network which is quite deteriorated, therefore the same is considered as un-controllable cost. The controllable component may increase in circumstances where a DISCO has been able to fully perform preventive maintenance activities.
- The transport fleet of MEPCO consists of old vehicles with high maintenance cost and low mileage per liter. The rates of POL are also regulated by the Govt. Accordingly vehicle cost is considered under the un-controllable component. The POL rates are also not controllable.



Controllable Components:

- ✓ Costs other than Pay & Allowances, Retirement Benefits, R&M and Transportation (Maintenance.) shall be subject to indexation with CPI every year plus cost associated with Z-factor, if any, to be added as pass-through.
- 8.3. The Authority observed that in terms of Section 31(3) of 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;
  - ✓ *"(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;"*
- 8.4. Further, as per the 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 the 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.
- 8.5. 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.
- 8.6. 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.
- 8.7. 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.

8.8. 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)

8.9. The Authority noted that head of Salaries, Wages and Other Benefits includes employees Pay & Allowances and Post-retirement benefits and accounts for over 80% of the Petitioner's total O&M costs, excluding t 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.

8.10. 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.

8.11. The actual total cost as provided by the Petitioner for the FY 2024-25, under Salaries & Wages (excluding post-retirement benefits, discussed separately) is Rs.17,763 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.

8.12. Accordingly, the cost of Salaries & Wages (excluding post-retirement benefits, discussed separately), for both the Distribution and Supply Functions works out as Rs.20,475 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.

8.13. Since the Audited accounts of the Petitioner, do not provide a 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. Accordingly, the cost of Salaries, Wages and other benefits (excluding post-retirement benefits) for the FY 2025-26 pertaining to the Distribution function works out as Rs.16,880 million.



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8.14. The assessed Salaries & Wages costs for the FY 2025-26, amounting to Rs. 16,880 million, shall be considered as the reference cost for future adjustment/ indexation of Salaries & Wages expenses, during the remaining tariff control period as per the mechanism specified in the instant determination.

8.15. 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.

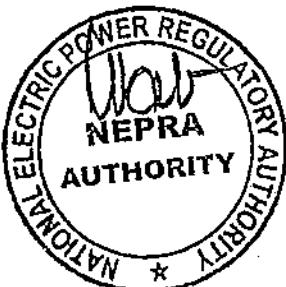
Additional Recruitment and Outsourcing

8.16. 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 either as part of Salaries & Wages cost or under O&M if service have been outsourced. 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

8.17. 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.

8.18. It is also pertinent to mention that the Authority in its previous determinations and considering the overall liquidity position of 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 DISCCOs 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.





8.19. 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;

Financial Year	NEPRA allowed amount (As per Applicable Tariff)	Amount Paid to Pensioners	Accumulated Fund Balance net of Profit
2015-16	428,745,655	2,134,489,506	207,000,000
2016-17	460,464,704	2,461,130,746	650,129,105
2017-18	988,860,604	3,211,289,879	1,116,202,822
2018-19	2,418,145,205	4,329,892,086	1,276,427,541
2019-20	2,707,000,000	4,469,675,503	1,958,079,212
2020-21	3,448,841,096	4,908,771,295	2,619,196,311
2021-22	4,655,000,000	5,487,126,085	4,287,175,502
2022-23	10,604,000,000	7,443,444,032	6,409,948,262
2023-24	10,106,000,000	3,717,226,743	9,287,026,221
FY 2024-25	18,328,000,000	8,201,612,108	17,776,635,494

8.20. From the above table, the Authority notes 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.

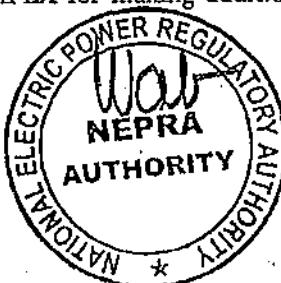
8.21. The Authority further notes that the audited accounts of the Petitioner for the FY 2025-26, are not yet available, therefore, the information provided by the Petitioner for the FY 2024-25, has been relied upon and provision reported as for FY 2024-25, has been considered for FY 2025-26 i.e. Rs: 25,312 million, for its both Distribution and Supply of Power Functions.

8.22. 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.

8.23. 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 works out as Rs.20,756 million, to be adjusted in the MYT Control period as per the adjustment mechanism provided in the instant determination.

Repair & Maintenance Costs

8.24. 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,



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resulting in new, expensive and efficient equipment, leading to overall reduction in R&M cost and increasing the total Assets base.

8.25. 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.

8.26. In view of the foregoing and keeping in view the current approved tariff methodology, the Authority has decided to allow an amount of Rs.2,104 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.

8.27. 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 i.e. Rs. 2,062 million for the FY 2025-26 allocated to the distribution function. The assessed repair and maintenance cost for the FY 2025-26 i.e., Rs. 2,062 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.

8.28. 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

8.29. 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 excluding the Vehicle Running expenses during the entire tariff control period.

8.30. 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.5,610 million to MEPCO for the FY 2025-26. The allowed amount of Rs. 5,610 million is being allowed for both the Distribution and Supply functions for the FY 2025-26.

8.31. 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.



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8.32. 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. 4,376 million.

8.33. Based on the figures as per financial statements, the Authority has incorporated all the costs including bill collection, building rent, NEPRA fee, insurance cost, rent, rates & taxes, and travelling, transportation etc.

8.34. The aforementioned assessment for the FY 2025-26 shall be considered as reference for working out Other Operating Expenses for the remaining tariff control period and shall be adjusted based on changes in "NCPI-General", in line with the mechanism specified 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.

8.35. 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.

8.36. In case the actual O&M cost for the previous year, as referred to 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 is 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

8.37. 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.



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8.38. 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.

8.39. 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.

8.40. 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.

8.41. 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.

8.42. 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 14.06% is justified?

9.1. The Petitioner submitted following regarding Depreciation, RORB and Other Income:

Depreciation

9.2. Depreciation is charged as per straight-line method so as to diminish the cost of fixed asset over its estimated useful life. As per Company policy, Building and Civil Works are depreciated @ 2%, Distribution Equipment's @ 3.5%, Other Plant & Office Equipments and Vehicles @ 10%.

Depreciation Expense	(Rs. In Million)				
Description	2025-26	2026-27	2027-28	2028-29	2029-30
Depreciation Expense	8,944	10,397	11,839	13,157	14,362



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9.3. As per MYT Guidelines, Depreciation expense for future years will be assessed in accordance with the following formula/mechanism:

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

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

9.4. 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	MEPCO
FY 2025-26	3,352
FY 2026-27	15,560

9.5. 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 the Petitioner.

9.6. Regarding the T&D Losses Target, the Authority has decided to provisionally approve the following loss target:

Provisional T&D Loss	MEPCO
FY 2025-26	11.34%
FY 2026-27	11.34%

9.7. The Petitioner is directed to carry out its T&D loss study through an independent third party, as per the approved terms of references (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. In case, the T&D loss studies are not submitted within the allowed time period, the following T&D Loss target shall become applicable for FY 2025-26 and FY 2026-27, and all relevant tariff adjustment shall be reworked on such revised targets. The financial impact of such revision shall be made part of PYA of subsequent tariff rebasing.

Revised T&D Loss Target (Failure to submit study)	MEPCO
FY 2025-26	9.30%
FY 2026-27	9.30%

9.8. The submitted T&D loss study by an independent third-party shall be considered by the Authority for revision / firm up of T&D loss Targets for the applicable period in the next

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rebasing of the tariff for DISCOs (January 2027) or mid-term (December 2027) review of DIP of the Petitioner, as the case may be.

9.9. Not used

9.10. Not used

9.11. 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.8,439 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.

9.12. 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.5,384 million for the FY 2025-26. Accordingly, the consumers would bear net depreciation of Rs.3,055 million.

9.13. 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 of Rs.8,270 million, for the FY 2025-26 allocated to the distribution function.

Return on Rate Base:

9.14. The Petitioner submission on the issue is as under;

- ✓ The Petitioner submitted that RAB is calculated as the sum of Opening GFA plus Addition in Fixed Assets less Depreciation, plus Capital Work-in-Progress (CWIP) less Deferred Credit/Contract Liabilities.
- ✓ Rate of Return/Weighted Average Cost of Capital (WACC): The Rate of Return or WACC of 14.06% has been calculated based on Capital Assets Pricing Model (CAPM), 3-months KIBOR+2% spread and Debt-Equity Ratio of 70:30.
- ✓ RoE is calculated using CAPM model and requires the estimation of following components
  - i) Risk Free Rate (Rf)
  - ii) Beta (B)
  - iii) Market Premium (P)
- ✓ Risk free rate is the rate of return that the investors expect to earn on investments that have virtually no risk of default. The Authority, for assessment of RoE component, considered Weighted Average Yield of 05-Years Pakistan Investment Bond (PIB) as risk free rate in its

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previous determination. For instant MYT, MEPCO has used Weighted Average Yield of 05-Years PIB as on 14.59% as risk free rate.

- ✓ The expected return on any investment is the sum of Risk Free Rate and extra return to compensate for risk i.e. Risk Premium.
- ✓ Currently, NEPRA uses a standard beta of 1.10 for calculating the return on equity for all DISCOs. The same beta has been used by MEPCO for computing return on equity.
- ✓ Cost of debt has been taken as 03-Months KIBOR as on 13<sup>th</sup> March 2025 plus spread of 02% (200 basis points) on the analogy of latest determination by NEPRA.
- ✓ Based on the above input parameters i.e. Return on Equity & Cost of Debt, the WACC has been computed as 14.06%.
- ✓ During hearing, the Petitioner submitted following working regarding RORB and WACC;

Description	FY 2024-25	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Determined	Audited	Projected	Projected	Projected	Projected	Projected
Gross Fixed Assets - Opening Bal	188,137	203,738	231,691	270,208	313,389	351,400	387,492
Addition In Fixed Assets	10,735	31,738	38,518	43,180	38,012	38,092	31,658
Gross Fixed Assets - Closing Bal	198,872	235,474	270,208	313,389	351,400	387,492	419,150
Less: Accumulated Depreciation	81,447	82,382	92,155	102,552	114,391	127,548	141,910
Net Fixed Assets in Operation	117,425	153,013	178,054	210,837	237,009	259,944	277,240
Add: Capital Work In Progress	28,270	17,019	38,430	43,401	38,903	37,075	31,853
Investment In Fixed Assets	145,695	170,032	216,485	254,238	275,912	297,019	309,083
Less: Deferred Credits	67,478	68,468	64,575	90,650	68,348	101,849	105,552
Regulatory Assets Base (RAB)	78,217	83,544	131,910	163,588	179,564	195,171	203,542
Average Regulatory Assets Base	60,704	61,585	115,008	147,749	171,578	187,367	189,358
Rate of Return/WACC	21.14	21.14	14.06	13.36	13.36	13.36	13.36
Return on Rate Base	12,852	17,247	16,281	19,737	22,920	25,029	26,630

Description	FY 2024-25	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Determined	Actual/ Proj.	Projected	Projected	Projected	Projected	Projected
Market Rate %			13.90	13.90	13.90	13.90	13.90
Risk Free Rate %	13.77	13.77	12.36	12.36	12.36	12.36	12.36
Market Risk Premium %	1.23	1.23	1.54	1.54	1.54	1.54	1.54
Beta	1.10	1.10	1.10	1.10	1.10	1.10	1.10
RoE %	16.12	15.12	14.06	14.05	14.05	14.05	14.05
Cost of Debt (3 Month's KIBOR+2% Spread)	14.97	14.14	14.06	13.06	13.06	13.06	13.06
WACC %	15.02	14.43	14.06	13.36	13.36	13.36	13.36

9.15. The Authority observed that as per Section 31(3) of the 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;

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(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;

- 9.16. 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.
- 9.17. 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:

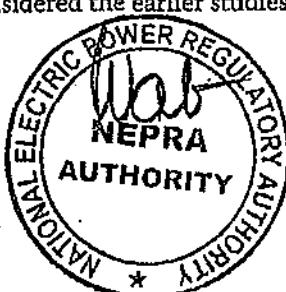
$$K_d = KIBOR + \text{Spread}$$

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

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

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

- 9.19. 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.
- 9.20. 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, the Authority 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.
- 9.21. For risk free rate, the yield of 05 year 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



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by international Regulators, and accordingly decided to use the beta of 1.10, while assessing the RoE component.

9.22. Based on the application of the above methodology and the parameters discussed herein, the RoE of the Petitioner, as derived strictly through the formulaic approach, works out to a level lower than the benchmark applied in recent determinations. However, the Authority notes that RoE is not applied in isolation and must be assessed in the context of sector-wide regulatory consistency and comparable risk profiles. In this regard, the Authority observes that a PKR-based RoE of 14.47 % has been consistently allowed in recent determinations of XWDISCOs as well as in the case of K-Electric, reflecting a uniform regulatory treatment of the distribution segment. Keeping in view the need to maintain parity, avoid undue volatility in allowed returns, and promote continued investment in the distribution sector in terms of Section 31(3) of the NEPRA Act, the Authority has exercised its regulatory discretion to allow a PKR-based RoE of 14.47% for the Petitioner.

9.23. 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).

9.24. 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%

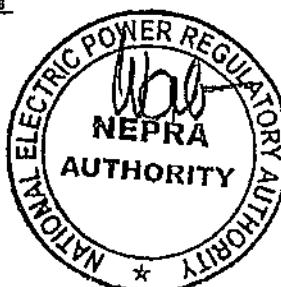
WACC =  $((Ke \times (E / V) + (Kd \times (D / V)))$

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

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

9.25. 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;

NEPRA		
Category	FY 2024-25	FY 2025-26
Fixed Assets C/V	203,657	235,395
Addition	31,730	23,870
Fixed Assets C/B	235,395	259,265
- Depreciation	82,004	91,343
Net Fixed Assets	152,491	167,922
Capital WIP C/B	18,175	12,378
Fixed Assets Inc. WIP	170,666	180,300
Less: Deferred Credits	86,458	93,935
<b>Total</b>	<b>84,178</b>	<b>86,361</b>
 RAB	 85,270	
 WACC	 13.19%	
 RoRB	 11,248	



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- 9.26. 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 i.e. Rs.11,021 million, allocated to the distribution function.
- 9.27. 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.
- 9.28. 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.
- 9.29. 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.
- 9.30. 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 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

- 9.31. Other Income includes Profit on Bank Deposits, Amortization of Deferred Credit and Income from Other Sources. Various components of Other Income have been assessed on the basis of last five-years trend of respective component except Amortization of Deferred Credit which has been calculated @ 3.5% of the accumulated balance of Consumer Finance Assets.
- 9.32. The Late Payment Surcharge (LPS) has been excluded from the total Other Income as per existing practice of NEPRA in its Tariff determination of MEPCO for FY 2024-25.



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The detail of other income is as under.

Other Income Break-Up Description	(PKR Million)				
	2025-26	2026-27	2027-28	2028-29	2029-30
Amortization	4,563	4,935	5,307	5,684	6,012
Profit on Bank Deposit	3,230	3,270	3,310	3,340	3,370
Sale of Scrap	53	56	59	61	65
Miscellaneous	425	472	524	582	616
Meter and Service Rent	79	83	87	91	96
Reconnection fee	113	116	120	123	127
TV License Fee	67	70	73	77	81
Miscellaneous Service Charges	201	212	222	233	245
Total Other Income	8,731	9,213	9,701	10,193	10,642

Income from Non-Regulated Business:

9.33. The Petitioner regarding Other Income submitted that it intends to submit that the income/revenue, if any, which is not part of its regulated activities shall neither be passed through nor form the part of tariff. In case the Regulatory Asset Base is used simultaneously for its regulated business as well as any other activity without impacting the consumer services, the additional income shall be shared between MEPCO and consumers in the ratio of 50:50.

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.

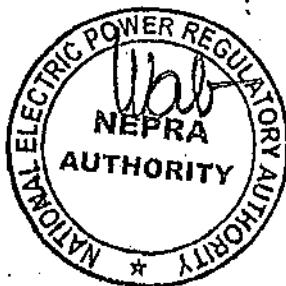
9.35. Since the other income would be trued up every year as per the mechanism provided in the instant determination, therefore, for the FY 2025-26, the Authority has decided to allow an amount of Rs.8,731 million based on audited accounts of the Petitioner for FY 2024-25; including the amount of amortization 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.3,056 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) and Z-Factor?



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10.1. The Petitioner proposed following Adjustment Mechanism for the MYT Control Period in different Cost Components which is in line with the MYT Guidelines and Determination of NEPRA in the case of MEPCO as well as other DISCOs operating under Multi-Year Tariff.

Sl. No.	Cost Component	Adjustment
101	Fuel Cost	Monthly
02	Var. O&M, CPP and UoSC	Quarterly
03	O&M Cost	Annually
04	Post Retirement Benefits	Annually
Sl. No.	Cost Component	Adjustment
05	Depreciation/RORB	Annually
06	Other Income	
07	Prior Year Adjustment	Annually
08	KIBOR	Annually

10.2. The Petitioner has requested adjustment of following DM components in line with mechanism given in Annex, V, VI and VII of NEPRA Guidelines for Determination of Consumer-End Tariff dated 16th January 2015;

Sl. No.	DM Component	Adjustment Mechanism
01	Return on RAB (RORB)	$RORB_{(Rev)} = RORB_{(Ref)} \times RAB_{(Rev)} / RAB_{(Ref)}$
02	Depreciation Expense	$DEP_{(Rev)} = DEP_{(Ref)} \times GFAIO_{(Rev)} / GFAIO_{(Ref)}$
03	Other Income	$O_{(Rev)} = O_{(Ref)} \times (1 + X)$

10.3. Under latest MYT Determination, the Tariff components i.e. Depreciation & RORB are subject to annual adjustment / True-up downward only. MEPCO has proposed Up-word / Down-word annual adjustment / True-up mechanism based on various scenarios whereby the allowed investment to be gauged on the basis MYT control period.

10.4. MEPCO requested the adjustments for O&M cost after its bifurcation into controllable and uncontrollable costs.

10.5. The uncontrollable costs are requested to be trued-up at the end of every year and the controllable costs should be indexed every year (CPI – X + Z).

$$O\&M = [\text{Controllable cost} \times (1 + (\text{CPI} - X)) + \text{Uncontrollable costs} + Z]$$

Where,

CPI = Consumer Price Index

X = Efficiency factor (Proposed as "0" for MYT Control Period)

Z = Costs relating to extraordinary events

Efficiency Factor (X)



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10.6. The Efficiency factor is applied to encourage DISCOs efficiency through different technological and procedural interventions. However, where the Tariff covers for expenses is already insufficient and DISCOs are struggling to meet their expenses to effectively run their operations, the application of X-Factor is counter productive.

10.7. MEPCO has Asset Base Rs. 235 (B) whereas significant part of Distribution asset is old and in deteriorated condition specially grids and distribution transformers.

10.8. MEPCO out of its total 134 No. Grid stations, has 27 Grids more than 30-years old and 05 Grids more than 20-years old. On the other hand, MEPCO has 113,769 No. Distribution Transformers which on an average require Rs. 0.9 (B) p.a.

10.9. The other expenses mainly constitute outsource services which are already availed on the bare minimum level. Therefore, applying efficiency factor on these expenses will prove counter productive.

Z' Factor for Force Majeure Events:

10.10. The Petitioner submitted that it has a wide business area with a spreading network and prone to natural calamities like flooding, storms, poor law & order situation etc. Provision for such extraordinary events proposed as a "Z" factor to be included in the O&M cost indexation formula. Costs incurred due to force majeure shall be recoverable during the subsequent year subject to prior approval of NEPRA. Costs recoverable under insurance coverage shall not be included in the tariff for the subsequent year.

10.11. 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.

10.12. 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).

10.13. Regarding request of the Petitioner to allow 'Z" factor, the Authority observed that it has allowed insurance cost to the Petitioner in the reference O&M cost for the FY 2025-26 subject to future increases, and the same covers for any such extra ordinary events. Therefore, the request of the Petitioner, to allow any such factor as a separate cost is not justified.



Indexation of O&M cost components

10.14. 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 $\times [1 + \{\text{GoP Increase or CPI}\}]$
FY 2025-26, 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 for FY 2025-26, may be actualized based on Audited account for FY 2025-26, considering the same as uncontrollable cost on part of XWDISCOs.

10.15. 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.

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

10.17. 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.)  $\times [1 + (\text{Transport index of NCPI})]$ )

10.18. 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;

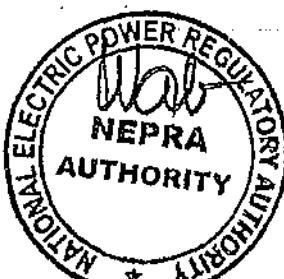
$O \& M(\text{Rev}) = O \& M(\text{Ref.}) \times [1 + (\text{NCPI-X})]$

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

11. **RORB**

11.1. 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)	$\text{RORB(Ref)} \times \text{RAB(Rev)} / \text{RAB(Ref)}$
<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>	

11.2. 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.

11.3. 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.

11.4. 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.



12. Depreciation Expenses

12.1. 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

12.2. 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.

13. Other Income

13.1. 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)	$= OI(\text{Allowed Previous year}) + [OI(\text{allowed for previous year}) - OI(\text{Actual previous year})]$
<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

13.2. 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 distribution function has been assessed as under;

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S/N	ITEM	PERIOD	VAL.	NEPRA
	Stores and Spares (3% of GVA)	3%	7,778	
	Trade debt (30 days of Revenue Receivable)	30	0.08	4,774
	<b>Total Current Assets</b>			<b>12,552</b>
	<b>Current Liabilities</b>	2/3	<b>66.67%</b>	<b>8,368</b>
	Working Capital Requirement		4,184	
	Less Receipt Against Deposit Work		28,075	
	Net Working Capital		(23,891)	
	Cost of debt local		12,0096	
	<b>Working Capital Cost</b>			<b>(2,867)</b>

13.3. As reflected in the table above, the Petitioner's working capital requirement for the distribution function has been assessed as Rs.4,184 million. The Authority further considers that receipts against deposit works, being directly related to the distribution network business, are also required to be accounted for as part of working capital calculations. Accordingly, after 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.2,867 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 aforesaid working capital position is allowed to Petitioner for the CY 2026, and shall remain 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)

2. Matrix





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

13.4. 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.

13.5. The Authority further notes 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.

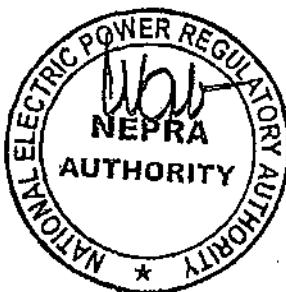
14. Whether the requested PYA is justified?

14.1. The Petitioner submitted following for PYA in its Tariff petition;

- ✓ Rule-53 of NEPRA Tariff Guidelines 2015 provides that under-recovery or over-recovery of the cost-of-service incurred during the previous year(s) shall be accounted for going forward during the current year under the head of prior period adjustment.
- ✓ The Prior Years Adjustment (PYA) on account of under/over recovery of past costs are summarized below:

Sr. No.	Description	Prior Year Adjustment (PYA) (PKR Million)	
		FY 2025-26	FY 2026-27
1	Sales Mix Variance FY 2022-23	4,898	
2	Under/Over Recovery of Quarterly Adjustments	6,826	
3	Under/Over Recovery of DM	7,167	
4	True-up FY 2023-24	-8,022	
5	Turnover Tax FY 2023-24	5,587	
6	Turnover Tax FY 2024-25	3,260	3,260
7	Turnover Tax (Payment made under ADRC Order)	4,041	5,388
8	PRB Liability	19,283	
9	Quarterly Adjustments UMPI, Incremental Units 2021-22	821	
10	Quarterly Adjustments Incremental Units	2,166	
11	Financing of Delayed PPP Quarterly Adjustment	6,936	
12	Differential Amount of WHT/Advance Tax	2,150	
13	GENCO Pension Liability	4,340	
Total		59,453	8,648

Sale Mix Variance:





- ✓ The Sales Mix Variance amounting to Rs. 4,898 (M) for FY 2022-23 was requested vide Annual Indexation of tariff for FY 2024-25. However, the same was not allowed by the Authority with the remarks to provide the reconciled data of sales mix with its reported revenue as per Audited Financial Statements for the respective year. The requisite reconciliation has been submitted to the Authority, hence the sale mix variance of Rs. 4,898 (M) for FY 2022-23 is being claimed as part of PYA.

**Under Recovery of Quarterly Adjustments (QTA):**

- ✓ The summary of under recovery against various quarterly tariff adjustments allowed by NEPRA is given below:

Under Recovery of QTA		(Rs. In Million)	
Description	Amount	Description	Amount
Qtr FY 2022-23		2nd Qtr FY 2023-24	
Allowed Amount	25,330	Allowed Amount	15,233
Qtr. Rs/kWh	3,9856	Qtr. Rs/kWh	2,7063
Recovered	23,911	Recovered	12,853
Under/(Over) Recovery	1,419	Under/(Over) Recovery	2,380
1st Qtr FY 2023-24		3rd Qtr FY 2023-24	
Allowed Amount	-538	Allowed Amount	3337
Qtr. Rs/kWh	-0.7107	Qtr. Rs/kWh	0.4639
Recovered	-2,013	Recovered	2,512
Under/(Over) Recovery	1,475	Under/(Over) Recovery	825
4th Qtr FY 2023-24			
Allowed Amount	7,967		
Qtr. Rs/kWh	1.8146		
Recovered	7,240		
Under/(Over) Recovery	727		
Grand Total		6,826	

- ✓ The Authority is requested to allow the under recovery of Rs. 6,826 (M) on account of aforementioned QTAs.

**Under Recovery of Distribution Margin (DM) for FY 2023-24:**

- ✓ The Authority allowed DM of Rs. 46,391 (M) for FY 2023-24, against which actual amount recovered Rs. 39,224 (M) which resulted in under recovery of Rs. 7,167 (M) as tabulated below:

Description	Period		Amount	
	01 Jul 2023 to 11 Jul 2023	12 Jul 2023 to 30 Jun 2024		
DM Allowed in Determination 2023-24		46,391		
DM Recovered				
Units Sold (kWh)	761	16,143	16,904	
ISP-2 Incremental Units (kWh)	-24	-284	-308	
Net Metering (adjusted) Units kWh	-3	-82	-85	
Net Unit Sold (kWh)	734	15,777	16,511	
DM Rate Rs/kWh	1.85	2.39	1.85 & 2.39	
DM Recovered	1,358	37,865	39,224	
Under Recovered DM		7,167		

- ✓ The Authority is requested to allow the under recovered DM of Rs. 7,167 (M) as PYA.

True-Up FY 2023-24:

9 May:





- ✓ In line with MYT adjustment mechanism, True-Up of Depreciation, RoRB and Other Income for FY 2023-24 is elaborated hereunder:

MYT True-Up for FY 2023-24 (Rs.	
Depreciation	Amount
Allowed	6,208
Actual	6,610
Under/(Over) Recovery	402
RoRB (Investment + KIBOR)	
Allowed	13,808
Actual	15,853
Under/(Over) Recovery	2,045
Other Income	
Allowed	-7,108
Actual	-17,577
Under/(Over) Recovery	-10,469
Total	-8,022

- ✓ The Authority is requested to consider and allow the true-up amounting to Rs. (8,022) (M) as PYA.

#### Turnover Tax for FY 2023-24:

- ✓ In line with Authority existing practice, the amount of Minimum Turnover Tax paid by MEPCO for FY 2023-24 is tabulated below:

Turnover Tax FY 2024-25 (Rs. In Million)		
Description	Amount	Remarks
1st QTR 2023-24	440	CPR No. IT2023092701012231660
2nd QTR 2023-24	1,149	CPR No. IT2023122901011694786 & CPR No. IT202312301011717604
3rd QTR 2023-24	1,000	CPR No. IT20230901011958860
4th QTR 2023-24	2,412	CPR No. IT2024062801011988802
Payment with Tax Return 2024	587	CPR No. IT20241223101011857636
Total	5,587	

- ✓ The Authority is requested to consider and allow Rs. 5,587 (M) paid on account of Minimum Turnover Tax for FY 2023-24 as PYA.

#### Turnover Tax for FY 2024-25:

- ✓ Payment of Turnover Tax for first two quarters of FY 2024-25 has been made to FBR as detailed below:

Turnover Tax FY 2024-25 (In Million)		
Description	Amount	Remarks
1st QTR 2024-25	2,117	CPR No. IT2024092401011704844 & CPR No. IT2024092401011705361
2nd QTR 2024-25	1,143	CPR No. IT2024122601011715469 & CPR No. IT2024122601011715468
Total		3,260

- ✓ The Authority is requested to consider Rs. 3,260 (M) paid on account of Turnover Tax for first two quarters of FY 2024-25 and allow the same during FY 2025-26 as PYA. The tentative amount of Turnover Tax due for third and fourth quarters of FY 2024-25 is narrated as under:



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*Determination of the Authority in the matter of MYT Petition  
of MEPCO for Distribution Tariff under the MYT Regime*

Turnover Tax FY 2024-25		(Rs. In Million)
Description	Amount	Remarks
3rd QTR 2024-25	2,120	Due in March 2025
4th QTR 2024-25	1,140	Due in June 2025
<b>Total:</b>	<b>3,260</b>	

- ✓ The Authority is requested to consider and allow the same during FY 2026-27 as PYA.

**Turnover Tax TY 2018-2022 (Payment made Under ADRC Order):**

- ✓ It is apprised that pursuance to Federal Govt. Tax Laws (Amendment) Act 2024, whereby it is mandatory for the SOEs (Including MEPCO) to approach FBR for appointment of Alternate Dispute Resolution Committee (ADRC), if aggrieved by any orders of FBR, and the SOEs to withdraw all pending litigation and cases immediately. Accordingly, MEPCO approached FBR for appointment of ADRC for resolution of Turnover Tax Cases for the period FY 2017-18 to FY 2021-22 involving alleged obligation of Rs. 28,887 (M). FBR appointed ADRC which after due proceedings and accepting stance of MEPCO, resolved the subject issue of Minimum / Turnover Tax whereby MEPCO was required to deposit Rs. 9,430 (M) in quarterly installments completing the payment up till June 2026.

Turnover Tax TY 2018-2022 (ADRC Order)		(Rs. In Million)
Description	Amount	Remarks
ADRC Payment 1st Installment (Dec 2018)	2,000	CPR No. IT2024123101011851800 & CPR No. IT2024123101011852235
ADRC Payment 2nd Installment	694	Due in Mar-2025
ADRC Payment 3rd Installment	1,347	Due in Jun-2025
<b>Total:</b>	<b>4,041</b>	

- ✓ The Authority is requested to allow Rs. 4,041 (M) on account of Turnover Tax during FY 2025-26 as PYA.
- ✓ Further apprised that quarterly installment due in four quarters of FY 2025-26 as per ADRC decision, have been claimed as PYA as summarized below:

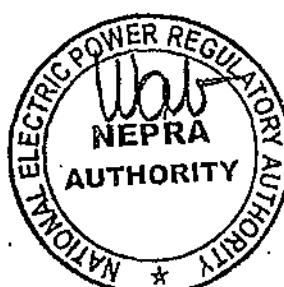
Turnover Tax TY 2018-2022 (ADRC Order) (Rs. In Million)		
Description	Amount	Remarks
ADRC Payment (Due in FY 2025-26)	5,388	Due on Sept-2025, Dec-2025, Mar-2026 & Jun-2026
<b>Total:</b>	<b>5,388</b>	

- ✓ The Authority is requested to allow Rs. 5,388 (M) on account of Turnover Tax during FY 2026-27 as PYA.

**Post-Retirement Benefits (PRB) Less Determined:**

- ✓ In line with the decision of Authority to allow the Provision for PRB on the basis of Audited Financial Statements as well as to consider the amount of PRB Liability routed through Other Comprehensive Income (OCI) in future (Reference Para 5.41 of MEPCO Annual Indexation for FY 2024-25 under MYT), the difference of provision for PRB as per Audited Account for FY 2023-24 & provision allowed by the Authority and PRB Liability routed through OCI for FY 2023-24 is tabulated below:

✓ Moti



- ✓ The Authority allowed the amount of Minimum/Turnover Tax on the basis of CPRs provided by MEPCO. In this context, it is highlighted that payment of Minimum/Turnover Tax is made to FBR after adjustment of Withholding/Advance Tax from gross amount of Minimum Turnover Tax and CPRs are prepared for reduced amount paid to FBR. Whereas, while calculating Revenue Requirement, the Authority considers and reduce the gross amount of Other Income including profit on bank deposits. Hence the differential amount on account of Withholding/Advance Tax amounting to Rs. 2,150 Million (Annex-ix) may please be considered and allowed as PYA.

**GENCO Pensioners Liability:**

- ✓ ECC of the cabinet, approved adjustment of Pensioners of GENCOs Power Plants under closure with following stipulations:

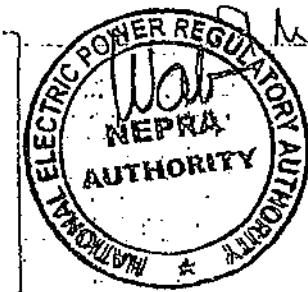
*"It is proposed that 2,368 Pensioners of GENCOs may be adjusted in their pension disbursing DISCOs or WAPDA. Similarly, 1,753 employees of these plants would be adjusted in DISCOs. Pensions of these employees will be paid by the relevant DISCOs on their retirement according to rules of the relevant DISCOs. In turn the respective DISCOs and WAPDA would claim adjustment of the same from NEPRA in their tariffs."*

- ✓ In pursuance of above, 563 pensioners (out of 2,368 Pensioners) have been adjusted in MEPCO however due to more than one surviving widows against one PPO number, the total number increases to 571 pensioners. This adjustment of GENCOs Pensioners in MEPCO is subject to Determination of NEPRA to allow this cost or otherwise.
- ✓ As per Actuarial Report prepared by Nauman Associates Consulting Actuaries, opening actuarial liability of these Pensioners has been assessed as Rs. 4,340 Million (Actuarial Report is attached as). The opening Actuarial liability of GENCO Pensioners amounting to Rs. 4,340 Million was requested by MEPCO in its Annual Indexation/Adjustment for FY 2023-24 & FY 2024-25, however the Authority not allowed the additional amount with the remarks that the petitioner has been allowed provision for PRB as per latest available Financial Statements which the Authority understand includes all employees as well as active pensioners. Authority is requested to re-consider the opening liability of GENCO Pensioners and allow Rs 4,340 Million as PYA.

**Bifurcation of PYA:**

- ✓ The Bifurcation of PYA is as under:

Sr. No.	Description	Rs. In Million					
		FY 2025-26		FY 2026-27		FY 2027-28	
		DOP	SOP	Total	DOP	SOP	Total
1	Sales Mix Variance FY 2022-23		4,898	4,898			
2	Under/Over Recovery of Quarterly Adjustment		6,826	6,826			
3	Under/Over Recovery of DMT	6,379	788	7,167			
4	True-up FY 2023-24	-8,022		-8,022			
5	Turnover Tax FY 2023-24		5,587	5,587			
6	Turnover Tax FY 2024-25		3,260	3,260		3,260	3,260
7	Turnover Tax (Payment made under ADRC Order)		4,041	4,041		5,388	5,388
8	PRB Liability	18,070	1,213	19,283			
9	Quarterly Adjustments UMP/ Incremental Units 2021-22		821	821			
10	Quarterly Adjustments Incremental Units		2,166	2,166			
11	Financing of Delayed PPP Quarterly Adj.		6,936	6,936			
12	Differential of WHT/Advance Tax		2,150	2,150			
13	GENCO Pensioners Liability	4,057	273	4,340			
	Total	20,494	38,959	59,453		8,648	8,648





Indexation/True-Up for FY 2024-25

✓ Audited Accounts of MEPCO for FY 2024-25 have been finalized and approved by the AGM on 27.10.2025. Based on Audited Accounts as well as in accordance with Tariff Methodology, MEPCO requests the Authority to consider and allow the Indexation/True-Up, as tabulated below, in its instant decision of MEPCO MYT.

Nomenclature	Rs. In Million
True Ups FY 2024-25	2,459
DM Under/Over Recoveries FY 2024-25	6,851
QTR Adjustments	(858)
Sales Mix Variance	30,279
Opening PRB Liability of GENCO Employees	3,211
Un-Regulated Income	14,997
PRB Liability (OCI)	26,395
Write Off Bad Debts	4,450
<b>Total</b>	<b>87,784</b>

PYA Requested VS Determined FY 2025-26

Sr. No.	Description	FY 2025-26	
		Requested	Interim Tariff Determined
1	Sales Mix Variance FY 2022-23	4,898	4,898
2	Under/Over Recovery of Quarterly Adjustments	6,626	6,924
3	Under/Over Recovery of DM	7,187	5,338
4	True-up FY 2023-24	(8,022)	(11,810)
5	Turnover Tax FY 2023-24	5,588	5,588
6	Turnover Tax FY 2024-25	3,260	3,260
7	Turnover Tax (Payment made under ADRC Order)	4,041	4,041
8	PRB Liability	19,283	-
9	Quarterly Adjustments UMP Incremental Units 2021-22	821	-
10	Quarterly Adjustments Incremental Units	2,188	-
11	Financing of Delayed PPP Quarterly Ad.	8,938	-
12	Differential of WH/Advance Tax	2,150	-
13	GENCO Pensioner's Liability	4,340	-
14	FGA Impact Adjusted as PYA	-	231
15	Previous PYA Difference	-	2,003
16	PYA FY 2023-24 Under Reserved	-	2,478
	<b>Total</b>	<b>59,454</b>	<b>20,951</b>

Description	Amount (Rs. '000/-)
4th Qtr FY 2022-23	
Allowed Amount	25,330
Qtr. Rs/kWh	3.9856
Recovered	23,911
Under/(Over) Recovery	1,419
1st Qtr FY 2023-24	
Allowed Amount	(538)
Qtr. Rs/kWh	(0.7107)
Recovered	(2,013)
Under/(Over) Recovery	1,475
2nd Qtr FY 2023-24	
Allowed Amount	15,233
Qtr. Rs/kWh	2.7063
Recovered	12,853
Under/(Over) Recovery	2,380
3rd Qtr FY 2025-24	
Allowed Amount	3,337
Qtr. Rs/kWh	0.4639
Recovered	2,512
Under/(Over) Recovery	825
4th Qtr FY 2023-24	
Allowed Amount	7,967
Qtr. Rs/kWh	1.8146
Recovered	7,240
Under/(Over) Recovery	727
<b>Total Under/(Over) Recovery</b>	<b>6,026</b>



9 Nov 2025



*Determination of the Authority in the matter of MYT Petition  
of MEPCO for Distribution Tariff under the MYT Regime*

Description	Period		Total
	01 Jul 2023 to 11 Jul 2023	12 July 2023 to 30 Jun 2024	
DM Allowed in Determination 2023-24			46,391
<b><u>DM Recovered</u></b>			
Units Sold (kWh)	761	16,143	16,904
ISP-2 Incremental Units (kWh)	(24)	(284)	(308)
Net Metering (adjusted) Units kWh	(3)	(82)	(85)
Net Unit Sold (kWh)	734	15,777	16,511
DM Rate Rs/kWh	1.85	2.40	1.85 & 2.40
DM Recovered	1,358	37,865	39,224
Under/(Over) Recovered			7,167

True Ups FY 2023-24	
<b>Depreciation</b>	
Allowed	6,208
Actual	6,610
Under/(Over) Recovery	402
<b>RoRB (Investment + KIBOR)</b>	
Allowed	13,808
Actual	15,853
Under/(Over) Recovery	2,045
<b>Other Income</b>	
Allowed	(7,108)
Actual	(17,577)
Under/(Over) Recovery	(10,469)
Total True Up	
	(8,022)

Turnover Tax FY 2023-24		
Description	Amount (in Million)	Remarks
1st QTR 2023-24	440	CPR No. IT2023092701012231600
2nd QTR 2023-24	1,149	CPR No. IT2023122801011694788 & CPR No. IT20231230101717694
3rd QTR 2023-24	1,000	CPR No. IT20230001011986880
4th QTR 2023-24	2,412	CPR No. IT2024062801016988802
Payment with Return 2024	537	CPR No. IT2024123101011857038
Total:	5,557	





*Determination of the Authority in the matter of MYT Petition  
of MEPCO for Distribution Tariff under the MYT Regime*

Turnover Tax FY 2024-25		
Description	Amount (In Million)	Remarks
1st QTR 2024-25	2,117	CPR No. JT2024092401011704844 & CPR No. JT2024092401011705301
2nd QTR 2024-25	1,143	CPR No. JT2024122601011715409 & CPR No. JT2024122601011715483
Total:	3,260	

Turnover Tax FY 2024-25		
Description	Amount (In Million)	Remarks
1st QTR 2024-25	2,120	Due
2nd QTR 2024-25	1,140	Due
Total:	3,260	

Financial Year	Quarter	Revised Amount	Amount Allowed	Less/ (Excess)
FY 2021-22	2nd	7,641	7,074	567
	3rd	2,424	2,170	254
<b>TOTAL</b>		<b>10,065</b>	<b>9,244</b>	<b>821</b>

**Quarterly Adjustments Incremental Units**

Financial Year	Quarter	Revised Amount	Rs. in Million	
			Amount Allowed	Less/ (Excess)
2021-22	1st	4,114	3,761	352
	4th	19,530	19,530	-
2022-23	1st	10,657	10,604	53
	2nd	2,393	2,354	39
	3rd	10,120	10,173	(53)
	4th	27,240	25,330	1,910
2023-24	1st	(727)	(538)	(189)
	2nd	15,287	15,233	54
<b>Total</b>		<b>88,614</b>	<b>85,448</b>	<b>2,166</b>

Financing of Delayed PPP Quarterly Adjustments									
Period	Submission Date	Determinations Due Date	IMP/DR/Other Due Date	Budget Month	Approved Month	EXHIBIT CDT			
						CDR Date	Rate %	Amount (PKR)	Rate %
1st Quarterly Adjustment FY 2016-19	15-Oct-16	15-Nov-16	16-Nov-16	3	19-Nov	25-Nov-16	9.30	934	
2nd Quarterly Adjustment FY 2016-19	26-Nov-16	27-Nov-16	28-Nov-16	4	18-Dec	21-Dec-16	10.20	1,016	
3rd Quarterly Adjustment FY 2016-19	05-Dec-16	06-Dec-16	07-Dec-16	5	19-Dec	22-Dec-16	11.10	1,112	
4th Quarterly Adjustment FY 2016-19	14-Dec-16	15-Dec-16	16-Dec-16	6	20-Dec	23-Dec-16	12.00	1,210	
5th Quarterly Adjustment FY 2016-19	23-Dec-16	24-Dec-16	25-Dec-16	7	21-Dec	24-Dec-16	12.90	1,310	
6th Quarterly Adjustment FY 2016-19	01-Jan-17	02-Jan-17	03-Jan-17	8	22-Jan	25-Jan-17	13.80	1,410	
7th Quarterly Adjustment FY 2016-19	10-Jan-17	11-Jan-17	12-Jan-17	9	23-Jan	26-Jan-17	14.70	1,510	
8th Quarterly Adjustment FY 2016-19	19-Jan-17	20-Jan-17	21-Jan-17	10	24-Jan	27-Jan-17	15.60	1,610	
9th Quarterly Adjustment FY 2016-19	28-Jan-17	29-Jan-17	30-Jan-17	11	25-Jan	28-Jan-17	16.50	1,710	
10th Quarterly Adjustment FY 2016-19	06-Feb-17	07-Feb-17	08-Feb-17	12	26-Feb	29-Feb-17	17.40	1,810	
11th Quarterly Adjustment FY 2016-19	15-Feb-17	16-Feb-17	17-Feb-17	13	27-Feb	01-Mar-17	18.30	1,910	
12th Quarterly Adjustment FY 2016-19	24-Feb-17	25-Feb-17	26-Feb-17	14	28-Feb	02-Mar-17	19.20	2,010	
13th Quarterly Adjustment FY 2016-19	02-Mar-17	03-Mar-17	04-Mar-17	15	29-Mar	04-Mar-17	20.10	2,110	
14th Quarterly Adjustment FY 2016-19	11-Mar-17	12-Mar-17	13-Mar-17	16	30-Mar	05-Mar-17	21.00	2,210	
15th Quarterly Adjustment FY 2016-19	20-Mar-17	21-Mar-17	22-Mar-17	17	31-Mar	06-Mar-17	21.90	2,310	
16th Quarterly Adjustment FY 2016-19	29-Mar-17	30-Mar-17	31-Mar-17	18	31-Mar	07-Mar-17	22.80	2,410	
17th Quarterly Adjustment FY 2016-19	07-Apr-17	08-Apr-17	09-Apr-17	19	01-Apr	08-Apr-17	23.70	2,510	
18th Quarterly Adjustment FY 2016-19	16-Apr-17	17-Apr-17	18-Apr-17	20	02-Apr	09-Apr-17	24.60	2,610	
19th Quarterly Adjustment FY 2016-19	25-Apr-17	26-Apr-17	27-Apr-17	21	03-Apr	10-Apr-17	25.50	2,710	
20th Quarterly Adjustment FY 2016-19	03-May-17	04-May-17	05-May-17	22	04-May	11-May-17	26.40	2,810	
21st Quarterly Adjustment FY 2016-19	12-May-17	13-May-17	14-May-17	23	05-May	12-May-17	27.30	2,910	
22nd Quarterly Adjustment FY 2016-19	21-May-17	22-May-17	23-May-17	24	06-May	13-May-17	28.20	3,010	
23rd Quarterly Adjustment FY 2016-19	30-May-17	31-May-17	01-Jun-17	25	07-May	14-May-17	29.10	3,110	
24th Quarterly Adjustment FY 2016-19	08-Jun-17	09-Jun-17	10-Jun-17	26	08-Jun	15-Jun-17	30.00	3,210	
25th Quarterly Adjustment FY 2016-19	17-Jun-17	18-Jun-17	19-Jun-17	27	09-Jun	16-Jun-17	30.90	3,310	
26th Quarterly Adjustment FY 2016-19	26-Jun-17	27-Jun-17	28-Jun-17	28	10-Jun	17-Jun-17	31.80	3,410	
27th Quarterly Adjustment FY 2016-19	04-Jul-17	05-Jul-17	06-Jul-17	29	11-Jul	18-Jul-17	32.70	3,510	
28th Quarterly Adjustment FY 2016-19	13-Jul-17	14-Jul-17	15-Jul-17	30	12-Jul	19-Jul-17	33.60	3,610	
29th Quarterly Adjustment FY 2016-19	22-Jul-17	23-Jul-17	24-Jul-17	31	13-Jul	20-Jul-17	34.50	3,710	
30th Quarterly Adjustment FY 2016-19	31-Jul-17	01-Aug-17	02-Aug-17	32	14-Aug	03-Aug-17	35.40	3,810	
31st Quarterly Adjustment FY 2016-19	09-Aug-17	10-Aug-17	11-Aug-17	33	15-Aug	04-Aug-17	36.30	3,910	
32nd Quarterly Adjustment FY 2016-19	18-Aug-17	19-Aug-17	20-Aug-17	34	16-Aug	05-Aug-17	37.20	4,010	
33rd Quarterly Adjustment FY 2016-19	27-Aug-17	28-Aug-17	29-Aug-17	35	17-Aug	06-Aug-17	38.10	4,110	
34th Quarterly Adjustment FY 2016-19	05-Sep-17	06-Sep-17	07-Sep-17	36	18-Sep	07-Sep-17	39.00	4,210	
35th Quarterly Adjustment FY 2016-19	14-Sep-17	15-Sep-17	16-Sep-17	37	19-Sep	08-Sep-17	39.90	4,310	
36th Quarterly Adjustment FY 2016-19	23-Sep-17	24-Sep-17	25-Sep-17	38	20-Sep	09-Sep-17	40.80	4,410	
37th Quarterly Adjustment FY 2016-19	01-Oct-17	02-Oct-17	03-Oct-17	39	21-Oct	10-Oct-17	41.70	4,510	
38th Quarterly Adjustment FY 2016-19	10-Oct-17	11-Oct-17	12-Oct-17	40	22-Oct	11-Oct-17	42.60	4,610	
39th Quarterly Adjustment FY 2016-19	19-Oct-17	20-Oct-17	21-Oct-17	41	23-Oct	12-Oct-17	43.50	4,710	
40th Quarterly Adjustment FY 2016-19	28-Oct-17	29-Oct-17	30-Oct-17	42	24-Oct	13-Oct-17	44.40	4,810	
41st Quarterly Adjustment FY 2016-19	06-Nov-17	07-Nov-17	08-Nov-17	43	25-Nov	14-Nov-17	45.30	4,910	
42nd Quarterly Adjustment FY 2016-19	15-Nov-17	16-Nov-17	17-Nov-17	44	26-Nov	15-Nov-17	46.20	5,010	
43rd Quarterly Adjustment FY 2016-19	24-Nov-17	25-Nov-17	26-Nov-17	45	27-Nov	16-Nov-17	47.10	5,110	
44th Quarterly Adjustment FY 2016-19	02-Dec-17	03-Dec-17	04-Dec-17	46	28-Dec	17-Dec-17	48.00	5,210	
45th Quarterly Adjustment FY 2016-19	11-Dec-17	12-Dec-17	13-Dec-17	47	29-Dec	18-Dec-17	48.90	5,310	
46th Quarterly Adjustment FY 2016-19	20-Dec-17	21-Dec-17	22-Dec-17	48	30-Dec	19-Dec-17	49.80	5,410	
47th Quarterly Adjustment FY 2016-19	05-Jan-18	06-Jan-18	07-Jan-18	49	31-Jan	20-Jan-18	50.70	5,510	
48th Quarterly Adjustment FY 2016-19	14-Jan-18	15-Jan-18	16-Jan-18	50	32-Jan	21-Jan-18	51.60	5,610	
49th Quarterly Adjustment FY 2016-19	23-Jan-18	24-Jan-18	25-Jan-18	51	33-Jan	22-Jan-18	52.50	5,710	
50th Quarterly Adjustment FY 2016-19	01-Feb-18	02-Feb-18	03-Feb-18	52	34-Feb	23-Feb-18	53.40	5,810	
51st Quarterly Adjustment FY 2016-19	10-Feb-18	11-Feb-18	12-Feb-18	53	35-Feb	24-Feb-18	54.30	5,910	
52nd Quarterly Adjustment FY 2016-19	19-Feb-18	20-Feb-18	21-Feb-18	54	36-Feb	25-Feb-18	55.20	6,010	
53rd Quarterly Adjustment FY 2016-19	05-Mar-18	06-Mar-18	07-Mar-18	55	37-Mar	26-Mar-18	56.10	6,110	
54th Quarterly Adjustment FY 2016-19	14-Mar-18	15-Mar-18	16-Mar-18	56	38-Mar	27-Mar-18	57.00	6,210	
55th Quarterly Adjustment FY 2016-19	23-Mar-18	24-Mar-18	25-Mar-18	57	39-Mar	28-Mar-18	57.90	6,310	
56th Quarterly Adjustment FY 2016-19	07-Apr-18	08-Apr-18	09-Apr-18	58	40-Apr	29-Apr-18	58.80	6,410	
57th Quarterly Adjustment FY 2016-19	16-Apr-18	17-Apr-18	18-Apr-18	59	41-Apr	30-Apr-18	59.70	6,510	
58th Quarterly Adjustment FY 2016-19	25-Apr-18	26-Apr-18	27-Apr-18	60	42-Apr	31-Apr-18	60.60	6,610	
59th Quarterly Adjustment FY 2016-19	02-May-18	03-May-18	04-May-18	61	43-May	01-May-18	61.50	6,710	
60th Quarterly Adjustment FY 2016-19	11-May-18	12-May-18	13-May-18	62	44-May	02-May-18	62.40	6,810	
61st Quarterly Adjustment FY 2016-19	20-May-18	21-May-18	22-May-18	63	45-May	03-May-18	63.30	6,910	
62nd Quarterly Adjustment FY 2016-19	05-Jun-18	06-Jun-18	07-Jun-18	64	46-Jun	04-Jun-18	64.20	7,010	
63rd Quarterly Adjustment FY 2016-19	14-Jun-18	15-Jun-18	16-Jun-18	65	47-Jun	05-Jun-18	65.10	7,110	
64th Quarterly Adjustment FY 2016-19	23-Jun-18	24-Jun-18	25-Jun-18	66	48-Jun	06-Jun-18	66.00	7,210	
65th Quarterly Adjustment FY 2016-19	07-Jul-18	08-Jul-18	09-Jul-18	67	49-Jul	07-Jul-18	66.90	7,310	
66th Quarterly Adjustment FY 2016-19	16-Jul-18	17-Jul-18	18-Jul-18	68	50-Jul	08-Jul-18	67.80	7,410	
67th Quarterly Adjustment FY 2016-19	25-Jul-18	26-Jul-18	27-Jul-18	69	51-Jul	09-Jul-18	68.70	7,510	
68th Quarterly Adjustment FY 2016-19	09-Aug-18	10-Aug-18	11-Aug-18	70	52-Aug	10-Aug-18	69.60	7,610	
69th Quarterly Adjustment FY 2016-19	18-Aug-18	19-Aug-18	20-Aug-18	71	53-Aug	11-Aug-18	70.50	7,710	
70th Quarterly Adjustment FY 2016-19	06-Sep-18	07-Sep-18	08-Sep-18	72	54-Sep	08-Sep-18	71.40	7,810	
71st Quarterly Adjustment FY 2016-19	15-Sep-18	16-Sep-18	17-Sep-18	73	55-Sep	09-Sep-18	72.30	7,910	
72nd Quarterly Adjustment FY 2016-19	03-Oct-18	04-Oct-18	05-Oct-18	74	56-Oct	06-Oct-18	73.20	8,010	
73rd Quarterly Adjustment FY 2016-19	12-Oct-18	13-Oct-18	14-Oct-18	75	57-Oct	07-Oct-18	74.10	8,110	
74th Quarterly Adjustment FY 2016-19	01-Nov-18	02-Nov-18	03-Nov-18	76	58-Nov	08-Nov-18	75.00	8,210	
75th Quarterly Adjustment FY 2016-19	10-Nov-18	11-Nov-18	12-Nov-18	77	59				



True-Ups FY 2024-25	
Depreciation	Rs. In Million
Allowed	6,022
Actual	7,468
Under/(Over) Recovery	866
RoRB (Investment + KIBOR)	
Allowed	12,652
Actual	17,247
Under/(Over) Recovery	4,395
Other Income	
Allowed	(7,108)
Actual	(9,910)
Under/(Over) Recovery	(2,802)
<b>Total True Up</b>	<b>2,459</b>

#### D.M. Under/(Over) Recovery

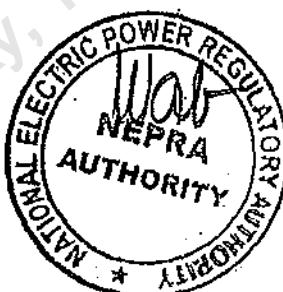
Rs. In Million	
Description	
DM Allowed FY 2024-25	56,903
<b>DM Recovered</b>	
Units Sold (kWh)	16,569
Incremental Units (kWh)	(65)
Net Metering (adjusted) Units kWh	(348)
Net Units Sold (kWh)	16,156
DM Allowed Rate Rs/kWh	3.10
Actual DM Recovered	50,052
<b>Under/(Over) Recovered DM</b>	<b>6,851</b>

#### Under/(Over) Recovery of QTA Adjustments

Rs. In Million	
Description	
4th Qtr FY 2022-23	
Allowed Amount	25,330
Dr. Rs/kWh	3,9856
Recovered	28,911
<b>Under/(Over) Recovery</b>	<b>1,419</b>
2nd Qtr FY 2024-25	
Allowed Amount	(10,709)
Dr. Rs/kWh	(2,0023)
Recovered	(10,170)
<b>Under/(Over) Recovery</b>	<b>(539)</b>
3rd Qtr FY 2024-25	
Allowed Amount	(15,778)
Dr. Rs/kWh	(2,5792)
Recovered	(14,040)
<b>Under/(Over) Recovery</b>	<b>(1,738)</b>
<b>Total Under/(Over) Recovery</b>	<b>(550)</b>

Note: Under/(Over) Recovery of 4th Quarter of FY 2022-23 QTA was requested via Annual Indexation Request for FY 2024-25, however the same was not considered by the Authority.

14.2. The Authority has analyzed the PYA workings submitted by the Petitioner and also obtained additional information, including 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;



Mallik



Description	Rs. Mln
MEPCO	
QTR	3,895
D.M	11,040
PYA	2,209
Sales Mix	4,898
True Ups	-
2023-24	(9,525)
2024-25	(3,419)
Other Head	10,650
<b>Total</b>	<b>19,739</b>

14.3. The detailed head wise working of aforementioned PYA is attached with Supply determination.

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

15.1. The Authority notes that submissions were received from DISCOs on the subject; however, the Authority observes that the issue raised stands substantially addressed within the existing regulatory framework.

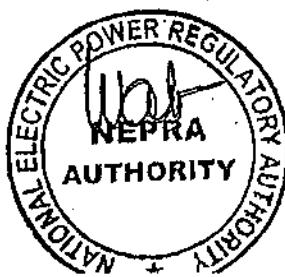
15.2. The Authority is of the view that appropriate sharing mechanism for any savings by the utility have already been provided under each head separately e.g. O&M costs, T&D losses, cost of debt etc. therefore, no separate claw-back mechanism is required. However, in event that any additional return is realized by the Petitioner, which is not otherwise addressed under the approved mechanism, the same would be shared between DISCO and consumers equally.

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

16.1. 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 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 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 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.

16.2. The Ministry 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

*S. Majid*



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.

- 16.3. 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.
- 16.4. 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."*
- 16.5. MEPCO 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.
- 16.6. MEPCO 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.
- 16.7. MEPCO 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.
- 16.8. 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	MEPCO
Salaries, Wages & Other Benefits	12,847
Post Retirement Benefits	15,391
Other O & M Costs	6,474
Depreciation	5,199
Return on Rate Base	9,868
Turn Over Tax	
<b>Gross Distribution Margin</b>	<b>49,779</b>
Less: Other Income	(4,607)
<b>Net Distribution Margin</b>	<b>45,171</b>
<b>PYA</b>	
<b>Total</b>	<b>45,171</b>

16.9. 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.

16.10. 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 MEPCO for the period from July 1, 2026 to December 31, 2026 as under:

REVENUE REQUIREMENT FOR MEPCO	
Period: July 1, 2026 to December 31, 2026 FY: 2026-27	
Pay & Allowances	10,804
Post Retirement Benefits	13,922
Repair & Maintenance	1,137
Traveling allowance	681
Vehicle maintenance	394
Other expenses	1,902
<b>OB&amp;M Cost</b>	<b>36,620</b>
Depreciation	4,518
RORB	5,095
O.I income	(4,366)
<b>Margin</b>	<b>34,068</b>

16.11. 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.

16.12. 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

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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.

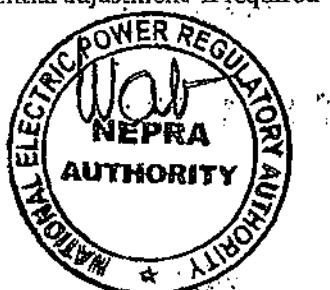
16.13. Any under or over recovery of the determined revenue requirement for the FY 2025-26, based on the allowed regulatory targets in terms of T&D losses, recovery etc., and provisional revenue requirement being allowed for the six months period i.e. from Jul. to Dec. 26, would be adjusted subsequently, while determining the final revenue requirement of the Petitioner for the FY 2026-27.

**17. Order**

17.1. In view of the discussion made in the preceding paragraphs and after 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;

	Revised Allowed FY 2025-26	Allowed CY 2026
<b>GENERAL DISCUSSION OF ALLOWED REVENUE</b>	DoP	DOP
<b>Units Received</b>	[MkWh]	18,427
<b>Units Sold</b>	[MkWh]	16,337
<b>Units Lost</b>	[MkWh]	2,090
<b>Units Lost</b>	(%)	11.34%
<b>Energy Charge</b>		
Capacity Charge		
Transmission Charge & Market		
Operation Fee		
Power Purchase Price	[Min. Rs.]	
Wire Business Margin		
Power Purchase Price with Wire Business	[Min. Rs.]	
<b>Pay &amp; Allowances</b>	16,880	16,780
P.M Assistance Package	20,756	22,378
Post Retirement Benefits	2,052	1,998
Repair & Maintenance	1,002	800
Traveling allowance	579	578
Vehicle maintenance	2,796	2,926
Other expenses		
<b>O&amp;M Cost</b>	34,024	34,516
Depreciation	8,270	9,011
RORB	11,021	10,490
O.Income	(3,056)	(2,987)
<b>Margin</b>	60,310	61,974
Prior Year Adjustment		
Working Capital	(2,867)	
Revenue Requirement	60,310	59,107
Average Tariff	[Rs./kWh]	3.62

17.2. 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.



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17.3. The Petitioner is directed to follow the following 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	

17.4. 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.

17.5. The Petitioner is directed to ensure separate disclosure of each item in its audited financial statements as mentioned in the determination.

17.6. 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.

17.7. 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;

17.8. 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.

17.9. 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.

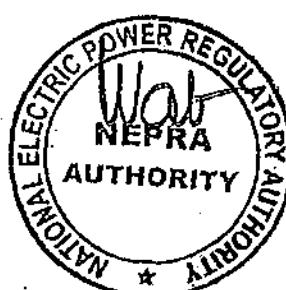
17.10. The Petitioner shall comply with, all the existing or future applicable Rules, Regulations, orders of the Authority and other applicable documents as issued from time to time.

#### 18. Summary of Direction

18.1. 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.
- 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.

7/12/2022





19. 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.
20. 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, 12:2:57 PM

Wasim Anwar Bhinder  
Registrar-1  
Wednesday, 14 January, 2026, 12:2:57 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-625/MEPCO-Supply/2025/ 255-62

January 07, 2026

**SUBJECT: DETERMINATION OF THE AUTHORITY IN THE MATTER OF PETITION FILED BY MULTAN ELECTRIC POWER COMPANY LIMITED (MEPCO) 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 77 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, Multan Electric Power Co. Ltd., MEPCO Headquarter, Khanewal Road, Multan
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-625/MEPCO-Supply/2025

DETERMINATION OF SUPPLY TARIFF PETITION  
FOR  
MULTAN ELECTRIC POWER COMPANY LIMITED (MEPCO)  
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
MEPCO	Multan 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  
MULTAN ELECTRIC POWER COMPANY LIMITED (MEPCO) FOR DETERMINATION  
OF ~~Supply~~ TARIFF UNDER MYT REGIME FOR THE FY 2025-26 TO FY 2029-30**

**CASE NO. NEPRA/ TRF-625/MEPCO-Supply/2025**

**PETITIONER**

MEPCO Headquarters, Khanewal Road, Multan.

**INTERVENER**

NIL

**COMMENTATOR**

NIL

**REPRESENTATION**

Chief Executive Officer along-with its Technical & Financial Team

M&M. Q



**1. Background**

- 1.1. The Authority awarded a Multi-Year Tariff (MYT) to Multan Electric Power Company (MEPCO), for a period of five years commencing from 1<sup>st</sup> July 2021 till 30<sup>th</sup> June 2025. Upon expiry of the said MYT on 30.06.2025, MEPCO (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 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. MEPCO 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 level of investments and target of T&D losses. However, the petitions were filed with considerable delay, and were based on the requested numbers of Investment and T&D losses. MEPCO also requested the 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 to the request of MEPCO and granted an "Interim tariff", vide decision dated 23.06.2025 for FY 2025-26, subject to adjustment and/ or refund, on the basis of 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;

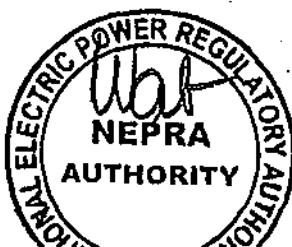
[F4] [EN] [Supply of Power] [FY 2025-26] [FY 2026-27] [FY 2027-28] [FY 2028-29] [FY 2029-30]

Power Purchase Price	Rs. Mln	549,383	548,810	550,210	551,578	555,611
Energy Charges	Rs. Mln	178,893	178,705	179,158	179,923	180,907
Capacity Charges	Rs. Mln	342,676	342,319	343,195	344,677	346,572
Use of System Charges	Rs. Mln	27,676	27,647	27,718	27,839	27,992
Market Operator Fee	Rs. Mln	138	138	139	139	140
<b>Distribution Business Cost</b>	<b>Rs. Mln</b>	<b>92,488</b>	<b>81,869</b>	<b>94,150</b>	<b>112,936</b>	<b>112,770</b>

Supply Business Cost	Rs. Mln	1,403	1,616	1,873	2,183	2,568
Pay & allowances	Rs. Mln	1,403	1,616	1,873	2,183	2,568
Post-retirement Benefits	Rs. Mln	1,848	1,936	2,150	2,813	2,148
Repair and Maintenance	Rs. Mln	50	56	62	69	76
Travelling expenses	Rs. Mln	247	300	359	433	527
Vehicle expenses	Rs. Mln	45	50	58	70	84
Other expense	Rs. Mln	4,063	4,516	5,010	5,560	6,170
<b>Total O&amp;M Costs</b>	<b>Rs. Mln</b>	<b>7,656</b>	<b>8,474</b>	<b>9,512</b>	<b>11,128</b>	<b>11,573</b>
Depreciation	Rs. Mln					
Return on Rate Base	Rs. Mln					
<b>Gross Margin</b>	<b>Rs. Mln</b>	<b>7,656</b>	<b>8,474</b>	<b>9,512</b>	<b>11,128</b>	<b>11,573</b>
Net Margin	Rs. Mln	7,656	8,474	9,512	11,128	11,573
Prior Year Adjustment	Rs. Mln	38,959	8,648			
<b>Total Revenue Requirement</b>	<b>Rs. Mln</b>	<b>688,485</b>	<b>647,801</b>	<b>653,872</b>	<b>676,642</b>	<b>679,954</b>
Projected Sales	GWh	17,184	17,333	17,491	17,658	17,834
Requested Tariff	Rs./kWh	40.07	37.37	37.38	38.92	38.13

**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 claimed in the petition 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. The 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 the hearing, and based on the pleadings, following issues were framed for consideration during the hearing and for presenting written as well as oral evidence and arguments;

- i. Whether the requested/projected Power Purchases Price (Energy & Cost) for the FY 2025-26 is justified?
- ii. Whether the requested/projected O&M cost (including new/replacement hiring) 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?
- iv. Whether the requested/projected amount under heads of Other Income and PYA 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?
  - i. Whether the concerns raised by the intervener/ commentator if any are justified?
  - ii. 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 invited from the interested person/ party within 7 days of the publication of the notice of admission in terms of Rule 6, 7 and 8 of the Rules. In response no intervention request/ comments were received.

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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, the issue-wise findings of the Authority are given as under;

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

5.1. The Petitioner, in its petition submitted that Power Market Survey (PMS) projects a modest YoY growth in energy sales and demand; however, actual data for base year FY 2023-24 and current year FY 2024-25 reflects a decline. It was submitted that MEPICO PMS forecast 2024-34 is based on a CAGR of 0.99% (for ten years) while NTDC IGCEP 2024-34 is based on a Compound annual growth rate (CAGR) of 2.8%. MEPICO's monthly demand (MW) for FY 2024-25 up to March 2025 remained lower than that of the previous year, FY 2023-24, reflecting an average decline of 5%. A decline of 6.2% in progressive sales of MEPICO up to March 2025 compared to that of FY 2023-24 is observed. This decline is largely attributable to rapid solarization through distributed solar generation (DG), whereby consumers increasingly rely on self-generation, resulting in reduced MEPICO's grid-based sales and shifting peak demand to evening hours. While forecasts assumed growth based on expected policy developments such as reduced regulated tariffs, integration of CPPs with grid, and changes in net metering arrangements, which were anticipated to encourage self-consumption rather surplus energy exports to grid. As a result of above factors, recent data shows a slight recovery in sales (0.7%) and demand (8%) in March 2025, suggesting a potential upward trend as consumers move toward self-consumption rather than exporting electricity to MEPICO network.

Projected Increase in No. of Consumers					
Consumer Category	2025-26	2026-27	2027-28	2028-29	2029-30
Residential	553,311	591,346	631,995	675,439	721,869
Commercial	27,624	28,744	29,909	31,122	32,384
Industrial	1,428	1,461	1,494	1,527	1,563
Bulk supply	34	37	39	42	45
Agriculture	7,108	7,549	8,017	8,514	9,042
Others	145	155	166	177	190
Total	589,650	629,291	671,620	716,822	765,092

Projected Load of New Consumers					
Consumer Category	2025-26	2026-27	2027-28	2028-29	2029-30
Residential	1149.13	1245.51	1350.06	1463.47	1586.52
Commercial	117.16	125.09	133.56	142.6	152.26
Industrial	92.5	99.34	98.26	101.27	104.38
Bulk supply	9.34	9.8	10.28	10.79	11.31
Agriculture	132.44	141.34	150.85	160.99	171.82
Others	0.83	0.86	0.9	0.93	0.97
Total	1,501	1,618	1,744	1,880	2,027



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F.Y.	Demand Growth Projection		
	Energy		Peak Demand
	Sales	11-KV	132-KV
	(GWh)	(G.R)	(MW)
2025-26	17,184	0.85	4,292
2026-27	17,333	0.86	4,336
2027-28	17,491	0.92	4,378
2028-29	17,658	0.95	4,423
2029-30	17,834	1	4,466
			4,511

Description	(Rs. In Million)				
	2025-26	2026-27	2027-28	2028-29	2029-30
Energy Transfer Charge	178,893	178,706	179,158	179,923	180,907
Capacity Transfer Charge	342,676	342,319	343,195	344,677	346,572
Use of System Charges (UoSC)	27,676	27,647	27,718	27,839	27,992
Market Operator Fee (MoF)	138	138	139	139	140
<b>Power Purchase Price</b>	<b>549,383</b>	<b>548,811</b>	<b>550,211</b>	<b>552,578</b>	<b>555,611</b>

5.2. The Petitioner during the hearing reiterated its earlier submissions.

5.3. The Authority noted that PPP is the major component of consumer-end tariff, which accounts for over 85% 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 the Rule 3(1) of Part II and Rule 4(7) of the Rules 1998 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 its investment Plan and assessment of T&D losses for a period of five years, which are presently under deliberation before 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 further noted that the approval of the investment plan and assessment of T&D losses of the Petitioner for five a 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 year i.e. from FY 2025-26 till FY 2029-30. The terms and 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/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?

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8.1. The Petitioner submitted the following projections along-with justification for each head as under;

Operating & Maintenance Cost Break-Up		(Rs. in Millions)			
Description	2025-26	2026-27	2027-28	2028-29	2029-30
Pay & Allowances	20,899	24,077	27,902	32,516	38,256
Post-Retirement Benefits	27,536	28,845	32,026	41,901	31,999
Repair & Maintenance	2,387	2,651	2,944	3,270	3,632
Travelling Expenses	1,689	2,053	2,454	2,961	3,605
Transportation	1,116	1,239	1,453	1,728	2,078
Other Operating Expenses	1,875	2,084	2,313	2,567	2,848
<b>Total</b>	<b>55,501</b>	<b>60,949</b>	<b>69,093</b>	<b>84,943</b>	<b>82,418</b>

- ✓ Increase in Pay and Allowances is attributable, inter alia to annual increment, impact of promotions/up-gradations and expected annual increase/review pay scales by the GoP during MYT control period.

**Plan for Additional Hiring:**

- ✓ MEPCO reported a staff shortfall of approximately 44.40% as of June-2024 with a working strength of 14,246 employees against a sanctioned strength of 25,656 in different cadres. The following manpower statistics as of June-2024 highlights the shortage of staff in the company:

Manpower Statistics (As of June-2024)				
Sr. No.	Categories	Sanctioned Strength	Working Strength	Vacant
1	Officers	763	514	249
2	Officials	24,883	13,732	11,151
<b>Total</b>		<b>25,646</b>	<b>14,246</b>	<b>11,400</b>

*Note: 2,959 employees have been engaged through Outsourcing/Third Party Hiring.*

**Proposed Hiring/New Induction:**

- ✓ MEPCO hereby proposes induction of employees against critical vacant positions as per approved yard stick as well as hiring against creation of new offices/formations as tabulated below:

Proposed Hiring/New Induction					
Description	2025-26	2026-27	2027-28	2028-29	2029-30
No. of Employees	1,821	986	885	969	1,035
Projected Annual Cost (Mil. Rs.)	1,315	1,293	1,718	2,262	2,987

**Plan for Replacement Hiring:**

- ✓ In order to reduce the acute shortage of manpower to meet the technical and operational targets, it has been proposed that 1,134 vacancies are to be filled by the Company during FY 2025-26. This recruitment will increase the first year O&M Cost by Rs.835 million. The proposed recruitment will take place in following cadres:

Replacement Hiring					
BPS	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
BPS 1 to 5	474	70	60	70	50
BPS 7	115	35	25	30	25
BPS 9	205	110	80	100	75
BPS 11	102	70	50	60	40
BPS 14	77	36	43	37	39
BPS 15	105	57	39	38	42
BPS 17	37	26	31	23	26
BPS 18	8	-	-	-	-
BPS 19	6	-	-	-	-
BPS 20	5	-	-	-	-
<b>Total</b>	<b>1,134</b>	<b>424</b>	<b>348</b>	<b>358</b>	<b>297</b>



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**Plan for Hiring Against Creation of New Offices/Formations:**

- ✓ MEPCO has planned for hiring of manpower during MYT control period against Creation of Proposed New Offices/Formations as tabulated below:

New Induction against Creation of New Offices					
Description	2025-26	2026-27	2027-28	2028-29	2029-30
No. Of Employees	606	542	537	611	738
Projected Annual Cost (Mill. Rs.)	480	944	1,403	1,946	2,698

8.2. Further, 81 pending cases under in-service death quota have also been included in the proposed hiring / induction.

**Pay & Allowances and Employee Benefits:**

- ✓ The Pay & Allowances for FY 2025-26 have been estimated to be Rs. 22,301 Million, out of which Rs. 20,899 (M) & Rs. 1,403 (M) have been projected for Wire Business & Power Supply Business respectively. Pay & Allowances and Employee Benefits including Retirement Benefits constitute a major portion of the Company's O&M expenses.

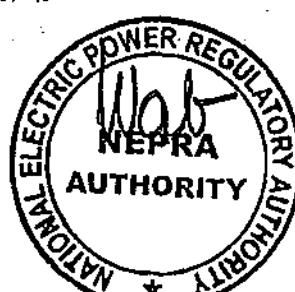
Pay & Allowance and Employee Benefits					
Description	2025-26	2026-27	2027-28	2028-29	2029-30
Salaries, Wages & Benefits	22,301	25,693	29,775	34,698	40,824
Proj.Cost-Wire Business (Mill. Rs.)	20,899	24,077	27,902	32,516	38,256
Proj.Cost-Supply Business (Mill. Rs.)	1,403	1,616	1,873	2,183	2,568

**Staff Retirement Benefits:**

- ✓ The Petitioner submitted that MEPCO provides various employee benefit schemes, including a Pension Scheme, Free Electricity Scheme, Free Medical Facility Scheme and Encashment of Accumulated Compensated Absences.
- ✓ Obligations under such schemes are assessed annually by a qualified Actuarial Consultant using the Projected Unit Credit Actuarial Cost Method. Re-measurement of net defined benefit liability is recognized through Other Comprehensive Income (OCI).
- ✓ Provisions for Post-Retirement Benefits (PRB) are recognized in line with the requirements of IAS-19 based on third party Actuarial valuations conducted by Independent Actuaries, which required MEPCO to maintain funded Pension Trust Fund at par with total PRB liability. However, MEPCO could not maintain Pension Fund in accordance with PRB Liability due to the reasons that NEPRA allowed PRB only to the extent of actual payments rather than on a provision basis. The petitioner submitted that during FY 2009-09 to FY 2014-15, NEPRA allowed Pay & Allowances inclusive of Post-Retirement Benefits meaning thereby separate amount of PRB was not determined by the Authority. The detail of Pay & Allowance (including PRB) determined by NEPRA & actual Pay & Allowances / PRB Provision is given below

Pay & Allowances/PRB Actual & Determined by NEPRA (Rs. In Millions)				
E.Y.	Actual		Determined by NEPRA	Less Determined
	Pay & Allowances	PRB Provision		
2008-09	2,512	931	3,443	(405)
2009-10	2,674	1,759	4,433	(350)
2010-11	3,687	2,009	5,696	(1,687)
2011-12	4,467	2,327	6,994	(4,616)
2012-13	5,399	2,618	8,017	(5,405)
2013-14	5,575	3,093	8,668	(6,322)
2014-15	8,630	3,814	12,444	(6,649)
Total	32,946	16,749	49,695	(33,331)
				(16,164)

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- ✓ The comparison of PRB allowed by NEPRA & Actual PRB Provision recorded during FY 2015-16 to FY 2019-20 is as under:

PRB Allowed by NEPRA & Actual PRB Provision (Rs. In Million)			
F.Y.	PRB Determined by NEPRA	Actual PRB Provision	Less Determined
2015-16	2,134	7,327	(5,193)
2016-17	2,461	4,930	(2,469)
2017-18	2,707	6,550	(3,843)
2018-19	4,232	8,679	(4,447)
2019-20	4,656	12,233	(7,577)
Total	16,190	39,719	(23,529)

- ✓ The Petitioner further highlighted that due to Re-measurement of PRB Liability, MEPCO charged PRB through Other Comprehensive Income (OCI) as required under IFRS-19. Detail thereof is as under:

Table 6.12: PRB Charged to OCI

F.Y.	PRB Charged to OCI	F.Y.	PRB Charged to OCI
2008-09	3,301	2014-15	1,160
2009-10	5,732	2015-16	8,044
2010-11	9,052	2016-17	11,466
2011-12	-	2017-18	10,918
2012-13	3,084	2018-19	4,593
2013-14	1,735	2019-20	(5,674)
Total			(53,410)

- ✓ The petitioner submitted that the foregoing explanation demonstrates that MEPCO was not provided any cushion by the Regulator to finance its Pension Fund at par with PRB Liability. In these circumstances, the Company was able to manage to credit an amount of Rs. 2,341 million to the MEPCO Employees Pension Fund up to June, 2020.
- ✓ MEPCO submitted its Multi-Year Tariff (MYT) Petition for Tariff Control Period FY 2020-21 to FY 2024-25. The Authority, for the first time, allowed PRB Provision to MEPCO on the basis of latest available Audited Financial Statements, however with a gap of 02-years i.e. provision for PRB allowed for FY 2024-25 on the basis of Audited Financial Statements for FY 2022-23. Resultantly MEPCO obligation under PRB have increased by Rs. 83,337 (M) i.e. Rs. 80,583 (M) as on June-2020 to Rs. 163,920 (M) on June-2024. The detail of PRB Allowed, Actual Expenditure and the amount transferred to Pension Fund is as under:

F.Y.	PRB Allowed, Actual Expenditure & Transferred to Fund (Rs. In RM)			
	Actual PRB Provision & OCI	PRB Determined	Actual PRB Paid	Amount Transferred to Pension Fund
2020-21	13,963	8,377	5,504	790
2021-22	26,876	9,765	5,795	2,065
2022-23	36,711	10,604	8,027	3,114
2023-24	37,611	10,105	8,837	3,227
2024-25 (Dec. 2024)	30,458	18,328	5,093	6,057
Total	147,399	57,690	33,256	17,263

Note: MYT was effective from July-2022 & Profit/mark-up impact also incorporated.

- ✓ Accordingly, the Pension Fund stood at Rs. 19,604 million as of Dec. 2024, whereas the PRB Liability recorded in the Balance Sheet as of 31<sup>st</sup> Dec. 2024 is Rs. 163,930 million reflecting a funding gap between PRB Liabilities and the assets of the pension fund.

#### Potential Option for Determination of PRB Provision:

- ✓ MEPCO current PRB obligation stands at Rs. 163,920 (M) as on June-2024, and the Company is unable to cater this obligation through separate fund due to insufficient cash flows. On

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this basis, the petitioner requested that the Authority may consider allowing PRB Provision, inclusive of re-measurement of net defined benefit liability recognized through OCI, on the basis of projected amount calculated by the Third Party (Actuarial Consultant) for respective year.

- ✓ Keeping in view the above, Provision for Post-Retirement Benefits including measurement recognized through OCI, has been projected on the basis of Actuarial Valuation Report for MYT control period FY 2025-26 to FY 2029-30 as detailed hereunder:

Post-Retirement Benefits Break-Up (PKR Millions)						
	2025-26	2026-27	2027-28	2028-29	2029-30	Total
Pension	24,863	25,791	28,529	38,592	27,494	145,269
Medical	1,651	1,787	2,015	2,141	2,241	9,835
Free Electricity	1,648	1,824	2,034	2,215	2,428	10,149
Leave encashment	1,223	1,380	1,598	1,765	1,983	7,949
<b>Total</b>	<b>29,984</b>	<b>30,781</b>	<b>34,176</b>	<b>44,714</b>	<b>34,147</b>	<b>173,202</b>
Cost-Wire Business	27,536	28,845	32,026	41,901	31,999	162,307
Cost-Supply Business	1,848	1,936	2,150	2,813	2,143	10,895

- ✓ NEPRA is requested to allow the amount of retirement benefits for the tariff control period subject to adjustment on actual basis.

**Other Operating Expenses:**

- ✓ All Other O&M Expenses have been projected @ CPI-X during the entire MYT Control Period.
- ✓ The Petitioner during the hearing presented following request;

Description	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Projected
	Interim Tariff	Projected	Projected Per Unit	Projected	Projected	
Repairs & Maintenance (DOP)	2,362	2,347	0.14	2,651	2,941	3,270
Repairs & Maintenance (SOP)	50	0	0	62	62	76
<b>Total Repairs &amp; Maintenance</b>	<b>2,362</b>	<b>2,347</b>	<b>0.14</b>	<b>2,707</b>	<b>3,006</b>	<b>3,339</b>
Traveling Expenses (DOP)	1,656	1,785	0.1	2,053	2,181	2,361
Traveling Expenses (SOP)	332	247	0.01	300	359	422
<b>Total Traveling Expenses</b>	<b>1,988</b>	<b>1,832</b>	<b>0.11</b>	<b>2,353</b>	<b>2,540</b>	<b>2,783</b>
Transportation Expenses (DOP)	731	1,116	0.06	1,239	1,423	1,726
Transportation Expenses (SOP)	45	0	0	58	70	85
<b>Total Transportation Expenses</b>	<b>776</b>	<b>1,161</b>	<b>0.07</b>	<b>1,289</b>	<b>1,491</b>	<b>1,811</b>
Misc. O&M Expenses (DOP)	1,091	1,076	0.11	2,044	2,313	2,562
Misc. O&M Expenses (SOP)	2,322	4,663	0.11	4,516	5,010	5,660
<b>Total Misc. O&amp;M Expenses</b>	<b>3,413</b>	<b>5,739</b>	<b>0.15</b>	<b>6,560</b>	<b>7,323</b>	<b>9,127</b>
O&M Cost Excl. Employee Cost (DOP)	5,573	7,068	0.41	8,627	9,161	10,576
O&M Cost Excl. Employee Cost (SOP)	2,561	4,109	0.24	4,922	5,489	6,132
<b>Total O&amp;M Cost Excl. Employee Cost</b>	<b>8,134</b>	<b>11,177</b>	<b>0.37</b>	<b>13,549</b>	<b>14,653</b>	<b>16,708</b>
Repairs & Maintenance (DOP)	2,362	2,347	0.15	2,651	2,941	3,270
Repairs & Maintenance (SOP)	50	0	0	62	62	76
<b>Total Repairs &amp; Maintenance</b>	<b>2,362</b>	<b>2,347</b>	<b>0.14</b>	<b>2,707</b>	<b>3,006</b>	<b>3,339</b>
Traveling Expenses (DOP)	1,646	1,689	0.1	2,053	2,151	2,361
Traveling Expenses (SOP)	332	247	0.01	300	359	422
<b>Total Traveling Expenses</b>	<b>1,978</b>	<b>1,936</b>	<b>0.11</b>	<b>2,333</b>	<b>2,510</b>	<b>2,731</b>
Transportation Expenses (DOP)	751	1,116	0.06	1,228	1,483	1,728
Transportation Expenses (SOP)	45	0	0	58	70	84
<b>Total Transportation Expenses</b>	<b>796</b>	<b>1,161</b>	<b>0.07</b>	<b>1,289</b>	<b>1,511</b>	<b>1,798</b>
Misc. O&M Expenses (DOP)	1,091	1,076	0.11	2,044	2,313	2,567
Misc. O&M Expenses (SOP)	2,322	4,663	0.11	4,516	5,010	5,660
<b>Total Misc. O&amp;M Expenses</b>	<b>3,413</b>	<b>5,739</b>	<b>0.15</b>	<b>6,600</b>	<b>7,319</b>	<b>8,127</b>
O&M Cost Excl. Employee Cost (DOP)	5,573	7,068	0.41	8,027	9,164	10,576
O&M Cost Excl. Employee Cost (SOP)	2,561	4,109	0.24	4,922	5,489	6,132
<b>Total O&amp;M Cost Excl. Employee Cost</b>	<b>8,134</b>	<b>11,177</b>	<b>0.37</b>	<b>12,949</b>	<b>14,653</b>	<b>16,708</b>
Repairs & Maintenance (DOP)	8,134	11,177	0.47	12,819	14,653	16,658
Repairs & Maintenance (SOP)	16,471	2,871	0	33,290	60,327	71,913
<b>Total Repairs &amp; Maintenance</b>	<b>45,605</b>	<b>13,048</b>	<b>0.75</b>	<b>46,110</b>	<b>71,913</b>	<b>88,572</b>
Misc. O&M Expenses (DOP)	10,578	13,373	0.75	14,741	16,559	19,625
Misc. O&M Expenses (SOP)	21,097	61,844	3.6	48,331	76,187	93,809
<b>Total Misc. O&amp;M Expenses</b>	<b>31,675</b>	<b>75,217</b>	<b>3.6</b>	<b>64,890</b>	<b>91,006</b>	

- ✓ While justifying its request MEPCO submitted during the hearing following basis for projections of different components of margin for distribution and supply functions;
  - Salaries & Wages: Annual Increase @ 5% has been projected on account of annual increment, promotion & up-gradation: Adhoc Relief @ 20% projected for FY 2025-26 & @ 15% for each subsequent year of MYT control period.



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- Post Retirement Benefits: PRB Provision has been incorporated on the basis of Actuarial Valuation Report as per Projected Unit Credit (PUC) Method prescribed under IAS-19.
- With respect to Repair & Maintenance, Travelling Expense, Transportation Expense, Other O & M Expenses, the Petitioner submitted that these O&M costs have been projected based on the CPI which has been assumed at par with projected KIBOR i.e. @ 12.06% for FY 2025-26 & @ 11.06% for FY 2026-27 through FY 2029-30.
- MEPCO also submitted analysis regarding Pol prices and requested that Vehicle running expense be linked with change in fuel prices instead of CPI.

**Ageing of MEPCO Transport Fleet**

Ageing of Vehicles	No. of Vehicles	Percentage
30 Years & above Old	250	22%
20-30 Years Old	393	35%
11-20 Years Old	229	21%
0-10 Year Old	251	22%
<b>Total</b>	<b>1,123</b>	<b>100%</b>

**Analysis of POL Rates & Transportation Expense Allowed by NEPRA**

POL Rates June-2020	Rs. 100.10 Per Litre
POL Rates June-2025	Rs. 258.16 Per Litre
Increase in Rates Amount	Rs. 158.06 Per Litre
Increase in Rates (%)	158%
Transportation Expense Allowed in 2020	Rs. 400 (M)
Transportation Expense Allowed in 2025	Rs. 725 (M)
Increase in Amount	Rs. 325 (M)
Increase (%)	81%
Increase Required @ POL Rate Increase	Rs. 1,032 (M)

- ✓ The Petitioner submitted that O&M Cost has been bifurcated into Controllable and Un-Controllable components.

**Un-Controllable Components:**

- ✓ The Un-Controllable portion comprises Salaries & Wages of the employees and Staff Retirement Benefits. MEPCO has adopted National Pay Scales for regular employees along with Staff Retirement Benefits of the Federal Government.
- ✓ The Petitioner submitted that it has introduced lump sum packages for new inductions and its increase is subject to CPI, which will be a pass-through cost.
- ✓ R&M mainly comprises maintenance of Distribution Network which is quite deteriorated, therefore the same is considered as un-controllable cost. The controllable aspect can rise when DISCO has been able to fully perform preventive maintenance.
- ✓ The transport fleet of MEPCO consists of old vehicles with high maintenance cost and low mileage per litter. The rates of POL are also regulated by the Govt. Accordingly vehicle cost to be considered under the un-controllable component. The POL rates are also not controllable.

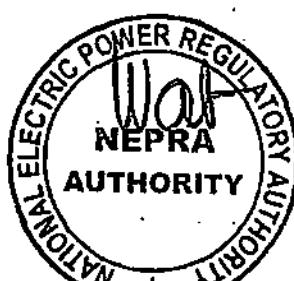


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Controllable Components:

- ✓ Costs other than Pay & Allowances, Retirement Benefits, R&M and Transportation (Maint.) shall be subject to indexation with CPI every year plus cost associated with Z-factor, if any, to be added as pass-through.
- 8.3. The Authority observed that in terms of 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;"*
- 8.4. Further, as per the 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 the 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.
- 8.5. 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.
- 8.6. 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.
- 8.7. 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.

8.8. 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)**

8.9. 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 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 uncontrollable cost for XWDISCOs as long as they remain in public sector.

8.10. 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.

8.11. The actual total cost as provided by the Petitioner for the FY 2024-25, under Salaries & Wages (excluding postretirement benefits, discussed separately) is Rs. 17,763 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.

8.12. Accordingly, the cost of Salaries & Wages (excluding postretirement benefits, discussed separately), for both the Distribution and Supply Functions works out as Rs. 20,475 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.

8.13. 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. Accordingly, s, 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. 3,594 million.



8.14. The assessed Salaries & Wages costs for the FY 2025-26 amounting to Rs. 3,594 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 specified in the instant determination.

8.15. 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

8.16. 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 either as part of Salaries & Wages cost or under O&M if service have been outsourced. 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

8.17. 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 XWDISCOs 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.

8.18. It is also pertinent to mention that the Authority in its previous determinations and 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.





8.19. 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;

Financial Year	NEPRA allowed amount (As per Applicable Tariff)	Amount Paid to Pensioners	Accumulated Fund Balance net of Profit
2015-16	428,745,655	2,131,489,506	207,000,000
2016-17	460,461,704	2,461,130,746	650,129,105
2017-18	988,860,604	3,211,289,879	1,116,202,822
2018-19	2,118,145,205	4,329,892,086	1,276,427,541
2019-20	2,707,000,000	4,469,675,500	1,958,079,312
2020-21	3,448,841,096	4,908,771,295	2,619,196,311
2021-22	4,655,000,000	5,487,126,085	4,287,125,502
2022-23	10,604,000,000	7,443,444,002	6,409,948,262
2023-24	10,106,000,000	3,717,226,743	9,287,026,421
<b>FY 2024-25</b>	<b>18,328,000,000</b>	<b>8,201,612,108</b>	<b>17,776,635,491</b>

8.20. From the above table, the Authority note 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.

8.21. The Authority further notes mention that the 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.25,312 million, for its both Distribution and Supply of Power Functions.

8.22. 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.

8.23. 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.4,556 million, to be adjusted in the MYT Control period as per the adjustment mechanism provided in the instant determination.

#### Repair & Maintenance Costs

8.24. 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.

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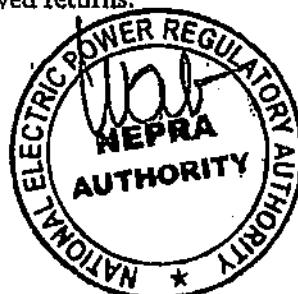




- 8.25. The Authority is also of the view that since the previous MYT of the Petitioner has ended on 30.06.2025, therefore, it would be appropriate to account for the actual cost of the base year while projecting O&M expenses and other Misc. expenses for the FY 2025-26, as any gain/loss of the previous MYT control period may not be carried forward in the new MYT.
- 8.26. In view of the foregoing and keeping in view the current approved tariff methodology, the Authority has decided to allow an amount of Rs.2,104 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.
- 8.27. 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 i.e. Rs. 42 million for the FY 2025-26 allocated to the distribution function.
- 8.28. The assessed repair and maintenance cost for the FY 2025-26 i.e. Rs.42 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.
- 8.29. 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

- 8.30. 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 excluding the Vehicle Running expenses during the entire tariff control period.
- 8.31. 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.5,610 million to MEPCO for the FY 2025-26. The allowed amount of Rs. 5,610 million is being allowed for both the Distribution and Supply of Power function for the FY 2025-26.
- 8.32. 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.





8.33. 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. 1,234 million.

8.34. Based on the figures as per financial statements, the Authority has incorporated all the costs including bill collection, building rent, NEPRA fee, insurance cost, rent, rates & taxes, and travelling, transportation etc.

8.35. The aforementioned assessment for the FY 2025-26 shall be considered as reference for working out Other Operating Expenses for remaining tariff control period and shall be adjusted based on change in "NCPI-General", in line with the mechanism specified 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.

8.36. 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.

8.37. 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.

PPMC Fee

8.38. 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.



8.39. 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.

8.40. 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.

8.41. 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.

8.42. 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.

8.43. 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.

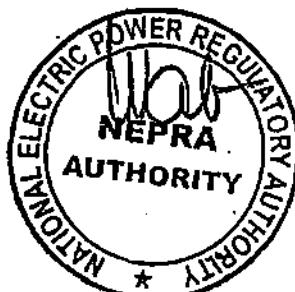
9. Whether the requested/projected amount under heads of Other Income, Depreciations and RORB based on WACC of 14.06% is justified?

9.1. The Petitioner submitted following regarding Depreciation, RORB and Other Income;

Depreciation

9.2. Depreciation is charged as per straight-line method so as to diminish the cost of fixed asset over its estimated useful life. As per Company policy, Building and Civil Works are depreciated @ 2%, Distribution Equipment's @ 3.5%, Other Plant & Office Equipment and Vehicles @ 10%.

Description	(Rs. In Million)				
	2025-26	2026-27	2027-28	2028-29	2029-30
Depreciation Expense	8,944	10,397	11,839	13,157	14,362



9.3. As per MYT Guidelines, Depreciation expense for future years will be assessed in accordance with the following formula/mechanism:

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

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

9.4. 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. Mn

Provisional Capex	MEPCO
FY 2025-26	3,352
FY 2026-27	15,560

9.5. 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 the Petitioner.

9.6. Regarding the T&D Losses Target, the Authority has decided to provisionally approve the following loss target:

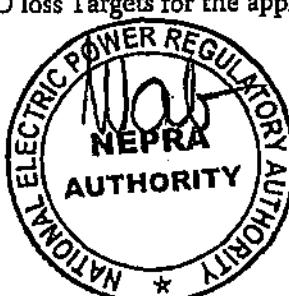
Provisional T&D Loss	MEPCO
FY 2025-26	11.34%
FY 2026-27	11.34%

9.7. The Petitioner is directed to carry out its T&D loss study through an independent third party, as per the approved terms of references (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. In case, the T&D loss studies are not submitted within the allowed time period, the following T&D Loss target shall become applicable for FY 2025-26 and FY 2026-27, and all relevant tariff adjustment shall be reworked on such revised targets. The financial impact of such revision shall be made part of PYA of subsequent tariff rebasing.

Revised T&D Loss Target (Failure to submit study)	MEPCO
FY 2025-26	9.30%
FY 2026-27	9.30%

9.8. The submitted T&D loss study by an independent third-party shall be considered by the Authority for revision / firm up of T&D loss Targets for the applicable period in the next

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rebasing of the tariff for DISCOs (January 2027) or mid-term (December 2027) review of DIP of the Petitioner, as the case may be.

9.9. Not used

9.10. Not used

9.11. 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.8,439 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.

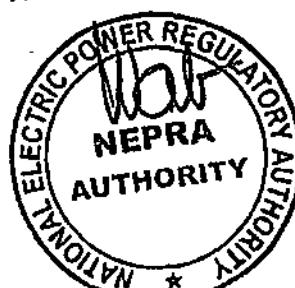
9.12. After carefully examining the relevant details and information pertaining to the deferred credit and amortization as per the accounts for the FY 2024-25, the Authority has projected amortization of deferred credit to the tune of Rs.5,384 million for the FY 2025-26. Accordingly, the consumers would bear net depreciation of Rs.3,055 million.

9.13. 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 of Rs.169 million, for the FY 2025-26 allocated to the Supply function.

Return on Rate Base:

9.14. The Petitioner submission on the issue is as under;

- ✓ The Petitioner submitted that RAB is calculated as the sum of Opening GFA plus Addition in Fixed Assets less Depreciation, plus Capital Work-in-Progress (CWIP) less Deferred Credit/Contract Liabilities.
- ✓ Rate of Return/Weighted Average Cost of Capital (WACC): The Rate of Return or WACC of 14.06% has been calculated based on Capital Assets Pricing Model (CAPM), 3-months KIBOR+2% spread and Debt-Equity Ratio of 70:30.
- ✓ RoE is calculated using CAPM model and requires the estimation of following components
  - i) Risk Free Rate (Rf)
  - ii) Beta (B)
  - iii) Market Premium (P)
- ✓ Risk free rate is the rate of return that the investors expect to earn on investments that have virtually no risk of default. The Authority, for assessment of RoE component, considered





Weighted Average Yield of 05-Years Pakistan Investment Bond (PIB) as risk free rate in its previous determination. For instant MYT, MEPCO has used Weighted Average Yield of 05-Years PIB as on 14.59% as risk free rate.

- ✓ The expected return on any investment is the sum of Risk Free Rate and extra return to compensate for risk i.e. Risk Premium.
- ✓ Currently, NEPRA uses a standard beta of 1.10 for calculating the return on equity for all DISCOs. The same beta has been used by MEPCO for computing return on equity.
- ✓ Cost of debt has been taken as 03-Months KIBOR as on 13<sup>th</sup> March 2025 plus spread of 02% (200 basis points) on the analogy of latest determination by NEPRA.
- ✓ Based on the above input parameters i.e. Return on Equity & Cost of Debt, the WACC has been computed as 14.06%.
- ✓ During hearing, the Petitioner submitted following working regarding RORB and WACC;

Description	FY 2024-25	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Determined	Audited	Projected	Projected	Projected	Projected	Projected
Gross Fixed Assets - Opening Bal	168,137	203,738	231,691	270,209	313,389	351,400	387,492
Addition in Fixed Assets	10,735	31,738	38,518	43,180	36,012	36,092	31,858
Gross Fixed Assets - Closing Bal	198,872	235,474	270,209	313,389	351,400	387,492	419,150
Less: Accumulated Depreciation	81,447	82,382	92,155	102,552	114,391	127,548	141,910
Net Fixed Assets In Operation	117,425	153,013	178,054	210,837	237,009	259,944	277,240
Add: Capital Work In Progress	28,270	17,019	38,430	43,401	38,903	37,075	31,853
Investment In Fixed Assets	145,695	170,032	216,485	254,238	275,912	297,019	309,093
Less: Deferred Credits	67,478	88,488	84,575	80,650	88,348	101,849	103,552
Regulatory Assets Base (RAB)	78,217	83,644	131,910	162,688	179,564	195,171	203,542
Average Regulatory Assets Base	60,794	61,585	115,808	147,749	171,576	187,387	189,356
Rate of Return/WACC	21.14	21.14	14.06	13.36	13.36	13.36	13.36
Return on Rate Base	12,852	17,247	16,281	19,737	22,920	25,029	28,630

Description	FY 2024-25	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Determined	Actual/ Proj.	Projected	Projected	Projected	Projected	Projected
Market Rate %			13.90	13.90	13.90	13.90	13.90
Risk Free Rate %	13.77	13.77	12.36	12.36	12.36	12.36	12.36
Market Risk Premium %	1.23	1.23	1.54	1.54	1.54	1.54	1.54
Beta	1.10	1.10	1.10	1.10	1.10	1.10	1.10
RoE %	15.12	15.12	14.05	14.05	14.05	14.05	14.05
Cost of Debt (3 Month's KIBOR+2% Spread)	14.97	14.14	14.06	13.06	13.08	13.06	13.06
WACC %	15.02	14.43	14.06	13.36	13.36	13.36	13.36

9.15. The Authority observed that as per Section 31(3) of the 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;

9.16. 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.

9.17. 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:

$$K_d = KIBOR + \text{Spread}$$

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

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

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

9.19. 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.

9.20. 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.

9.21. For risk free rate, the yield of 05 year 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.

9.22. Based on the application of the above methodology and the parameters discussed herein, the RoE of the Petitioner, as derived strictly through the formulaic approach, works out to a level lower than the benchmark applied in recent determinations. However, the Authority notes that RoE is not applied in isolation and must be assessed in the context of sector-wide regulatory consistency and comparable risk profiles. In this regard, the Authority observes that a PKR-based RoE of 14.47 % has been consistently allowed in recent determinations of XWDISCOs as well as in the case of K-Electric, reflecting a uniform regulatory treatment of the distribution segment. Keeping in view the need to maintain parity, avoid undue volatility in allowed returns, and promote continued investment in the distribution sector in terms of Section 31(3) of the NEPRA Act, the Authority has exercised its regulatory discretion to allow a PKR-based RoE of 14.47% for the Petitioner.

9.23. Regarding, 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*).

9.24. 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%;

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

9.25. 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;

MEPCO				
Description	FY 2024-25		FY 2025-26	
Fixed Assets C/B	203,657		235,395	
Addition	31,736		23,870	
Fixed Assets C/B	235,395		259,265	
Depreciation	82,904		91,343	
Net Fixed Assets	152,491		167,922	
Capital WIP C/B	18,175		12,378	
Fixed Assets Inc. WIP	170,668		180,300	
Loss: Deferred Credits	86,488		93,939	
Total	84,178		88,381	
RAB		85,270		
WACC		13.19%		
RoRB		11.24%		

9 Male



9.26. 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 i.e. Rs.225 million, allocated to the Supply function.

9.27. 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.

9.28. 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.

9.29. 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.

9.30. 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 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

9.31. Other Income includes Profit on Bank Deposits, Amortization of Deferred Credit and Income from Other Sources. Various components of Other Income have been assessed on the basis of last five-years trend of respective component except Amortization of Deferred Credit which has been calculated @ 3.5% of the accumulated balance of Consumer Finance Assets.

9.32. The Late Payment Surcharge (LPS) has been excluded from the total Other Income as per existing practice of NEPRA in its Tariff determination of MEPCO for FY 2024-25.

The detail of other income is as under.



Other Income Break-Up		(PKR Million)				
Description		2025-26	2025-27	2027-28	2028-29	2029-30
Amortization		4,563	4,935	5,307	5,684	6,012
Profit on Bank Deposit		3,230	3,270	3,310	3,340	3,370
Sale of Scrap		53	56	59	61	65
Miscellaneous		425	472	524	582	646
Meter and Service Rent		79	83	87	91	96
Reconnection fee		113	116	120	123	127
TV License Fee		67	70	73	77	81
Miscellaneous Service Charges		201	212	222	233	245
<b>Total Other Income</b>		<b>8,731</b>	<b>9,213</b>	<b>9,701</b>	<b>10,193</b>	<b>10,642</b>

**Income from Non-Regulated Business:**

9.33. The Petitioner regarding Other Income submitted that it intends to submit that the income/revenue, if any, which is not part of its regulated activities shall neither be passed through nor form the part of tariff. In case the Regulatory Asset Base is used simultaneously for its regulated business as well as any other activity without impacting the consumer services, the additional income shall be shared between MEPCO and consumers in the ratio of 50:50.

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.8,731 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.5,675 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) and Z-Factor?



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10.1. The Petitioner proposed following Adjustment Mechanism for the MYT Control Period in different Cost Components which is in line with the MYT Guidelines and Determination of NEPRA in the case of MEPCO as well as other DISCOs operating under Multi-Year Tariff.

S.No.		Cost Component	Adjustment Mechanism
01		Fuel Cost	Monthly
02		Var. O&M, CPP and UoSC	Quarterly
03		O&M Cost	Annually
04		Post Retirement Benefits	Annually
S.No.		Tariff Components	Adjustment Mechanism
05		Depreciation / RORB	Annually
06		Other Income	Annually
07		Prior Year Adjustment	Annually
		KIBOR	Annually

10.2. The Petitioner has requested adjustment of following DM components in line with mechanism given in Annex, V, VI and VII of NEPRA Guidelines for Determination of Consumer-End Tariff dated 16th January 2015;

S.No.		DM Components	Adjustment Mechanism
01		Return on RAB (RORB) = $RORB_{(Ref)} \times RAB_{(Ref)} / RAB_{(Ref)}$	
02		Depreciation Expense = $DEP_{(Ref)} = DEP_{(Ref)} \times GFAIO_{(Ref)} / GFAIO_{(Ref)}$	
03		Other Income	$OI_{(Ref)} = OI_{(Ref)} \times OI_{(Ref)}$

10.3. Under latest MYT Determination, the Tariff components i.e. Depreciation & RORB are subject to annual adjustment / True-up downward only. MEPCO has proposed Up-word / Down-word annual adjustment / True-up mechanism based on various scenarios whereby the allowed investment to be gauged on the basis MYT control period.

10.4. MEPCO requested the adjustments for O&M cost after its bifurcation into controllable and uncontrollable costs.

10.5. The uncontrollable costs are requested to be trued-up at the end of every year and the controllable costs should be indexed every year ( $CPI - X + Z$ ).

$$O&M = [\text{Controllable cost,} \times \{1 + (CPI - X)\} + \text{Uncontrollable costs} + Z$$

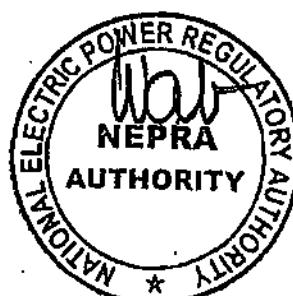
Where,

CPI = Consumer Price Index

X = Efficiency factor (Proposed as "0" for MYT Control Period)

Z = Costs relating to extraordinary events

Efficiency Factor (X)



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10.6. The Efficiency factor is applied to encourage DISCOs efficiency through different technological and procedural interventions. However, where the Tariff covers for expenses is already insufficient and DISCOs are struggling to meet their expenses to effectively run their operations, application of X-Factor is counter productive.

10.7. MEPCO has Asset Base Rs. 235 (B) whereas significant part of Distribution asset is old and in deteriorated condition specially grids and distribution transformers.

10.8. MEPCO out of its total 134 No. Grid stations, has 71 Grids more than 30-years old and 05 Grids more than 20-years old. On the other hand, MEPCO has 113,769 No. Distribution Transformers which on an average require Rs. 0.9 (B) p.a.

10.9. The other expenses mainly constitute outsource services which are already availed on the bare minimum level. Therefore, applying efficiency factor on these expenses will prove counter productive.

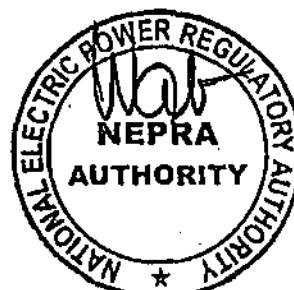
Z Factor for Force Majeure Events:

10.10. The Petitioner submitted that it has a wide business area with a spreading network and prone to natural calamities like flooding, storms, poor law & order situation etc. Provision for such extraordinary events proposed as a "Z" factor to be included in the O&M cost indexation formula. Costs incurred due to force majeure shall be recoverable during the subsequent year subject to prior approval of NEPRA. Costs recoverable under insurance coverage shall not be included in the tariff for the subsequent year.

10.11. 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.

10.12. 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).

10.13. Regarding request of the Petitioner to allow 'Z' factor, the Authority observed that it has allowed insurance cost to the Petitioner in the reference O&M cost for the FY 2025-26 subject to future increases, and the same covers for any such extra ordinary events. Therefore, the request of the Petitioner, to allow any such factor as a separate cost is not justified.



Indexation of O&M cost components

10.14. 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.

<u>Adjustment Mechanism - Salaries, Wages &amp; Other Benefits</u>
Revised Salaries, Wages & Other Benefits Expenses = Ref. Salaries, Wages & Other Benefits $\times [1 + (\text{GoP Increase or CPI})]$
FY 2025-26, 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 for FY 2025-26, may be actualized based on Audited account for FY 2025-26, considering the same as uncontrollable cost on part of XWDISCOs.

10.15. 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.

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

10.17. 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.)  $\times [1 + (\text{Transport index of NCPI})]$ )

10.18. 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.)  $\times [1 + (\text{NCPI-X})]$ .

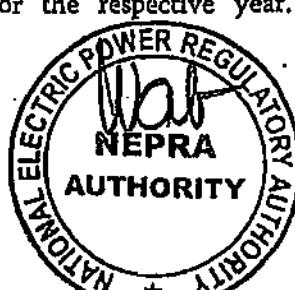
Where .

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

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

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

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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

**11. RORB**

11.1. 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) × RAB(Rev) / RAB(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.	

11.2. 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.

11.3. 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.

11.4. 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.

**12. Depreciation Expenses**

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



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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

12.2. 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.

13. Other Income

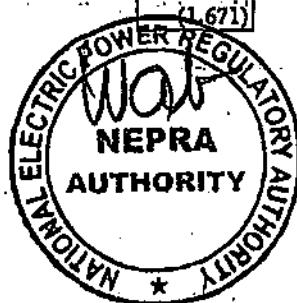
13.1. Other Income shall be adjusted annually as per the following mechanism during the MYT control period to calculate future Other Income.

Adjustment Mechanism - Other Income (OI)			
OI(Rev)	=OI(Allowed Previous year) + [OI(allowed for previous year) - OI(Actual 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.			

13.2. 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:

Supply working Capital	Credit Period	Factor	MEPCO
Days			
Current Assets			
Trade debt (days of Revenue Receivable)	25	0.07	37,788
Total Current Assets			<u>37,788</u>
Current Liabilities			
I.P.P. From CPPA	41	0.11	16,976
CPP From CPPA	34	0.09	26,953
Transmission	30	0.08	3,014
Distribution	30	0.08	4,774
Total Liabilities			<u>51,717</u>
Net			(13,929)
Cost of debt local			12%
Working Capital Cost			(1,671)

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13.3. As reflected in the table above, The Petitioner's working capital requirement for the Supply function has been assessed as negative Rs.13,929 million and cost working capital requirement works out as negative Rs.1,671 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

13.4. 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.

13.5. The Authority further notes that 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.



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14. Whether the requested PYA is justified?

14.1. The Petitioner submitted following for PYA in its Tariff petition;

- ✓ Rule-53 of NEPRA Tariff Guidelines 2015 provides that under-recovery or over-recovery of the cost-of-service incurred during the previous year(s) shall be accounted for going forward during the current year under the head of prior period adjustment.
- ✓ The Prior Years Adjustment (PYA) on account of under/over recovery of past costs is summarized below:

Sr. No.	Description	Prior Year Adjustment (PYA) (PKR Million)	
		FY 2025-26	FY 2026-27
1.	Sales Mix Variance FY 2022-23	4,898	
2.	Under/Over Recovery of Quarterly Adjustments	6,826	
3.	Under/Over Recovery of DM	7,167	
4.	Truc-up FY 2023-24	-8,022	
5.	Turnover Tax FY 2023-24	5,587	
6.	Turnover Tax FY 2024-25	3,260	3,260
7.	Turnover Tax (Payment made under ADRC Order)	4,041	5,388
8.	PRB Liability	19,283	
9.	Quarterly Adjustments UMPL Incremental Units 2021-22	821	
10.	Quarterly Adjustments Incremental Units	2,166	
11.	Financing of Delayed PPP Quarterly Adjustment	6,936	
12.	Differential Amount of WHT/Advance Tax	2,150	
13.	GENCO Pension Liability	4,340	
	Total	59,453	8,648

Sale Mix Variance:

- ✓ The Sales Mix Variance amounting to Rs. 4,898 (M) for FY 2022-23 was requested vide Annual Indexation of tariff for FY 2024-25. However, the same was not allowed by the Authority with the remarks to provide the reconciled data of sales mix with its reported revenue as per Audited Financial Statements for the respective year. The requisite reconciliation has been submitted to the Authority, hence the sale mix variance of Rs. 4,898 (M) for FY 2022-23 is being claimed as part of PYA.

Under Recovery of Quarterly Adjustments (QTA):

- ✓ The summary of under recovery against various quarterly tariff adjustments allowed by NEPRA is given below:





Under Recovery of QTA		(Rs. In Million)	
Description	Amount	Description	Amount
Qtr FY 2022-23		2nd Qtr FY 2023-24	
Allowed Amount	25,330	Allowed Amount	15,233
Qtr. Rs/kWh	3.9856	Qtr. Rs/kWh	2.7063
Recovered	23,911	Recovered	12,653
Under/(Over) Recovery	1,419	Under/(Over) Recovery	2,380
1st Qtr FY 2023-24		3rd Qtr FY 2023-24	
Allowed Amount	-538	Allowed Amount	3337
Qtr. Rs/kWh	-0.7107	Qtr. Rs/kWh	0.4639
Recovered	-2,013	Recovered	2,512
Under/(Over) Recovery	1,475	Under/(Over) Recovery	825
4th Qtr FY 2023-24			
Allowed Amount	7,967		
Qtr. Rs/kWh	1.8146		
Recovered	7,240		
Under/(Over) Recovery	727		
Grand Total		6,826	

- ✓ The Authority is requested to allow the under recovery of Rs. 6,826 (M) on account of aforementioned QTAs.

**Under Recovery of Distribution Margin (DM) for FY 2023-24:**

- ✓ The Authority allowed DM of Rs. 46,391 (M) for FY 2023-24, against which actual amount recovered Rs. 39,224 (M) which resulted in under recovery of Rs. 7,167 (M) as tabulated below:

Description	Period		Amount
	01 Jul 2023 to 11 Jul 2023	12 Jul 2023 to 30 Jun 2024	
DM Allowed in Determination 2023-24			46,391
<b>DM Recovered</b>			
Units Sold (kWh)	761	16,143	16,904
ISP-2 Incremental Units (kWh)	-24	-284	-308
Net Metering (adjusted) Units kWh	-3	-82	-85
Net Unit Sold (kWh)	734	15,777	16,511
DM Rate Rs/kWh	1.85	2.39	1.85 & 2.39
DM Recovered	1,358	37,865	39,224
Under Recovered DM		7,167	

- ✓ The Authority is requested to allow the under recovered DM of Rs. 7,167 (M) as PYA.

**True-Up FY 2023-24:**

- ✓ In line with MYT adjustment mechanism, True-Up of Depreciation, RoRB and Other Income for FY 2023-24 is elaborated hereunder:



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MYT True-Up for FY 2023-24 (Rs.	
Depreciation	Amount
Allowed	6,208
Actual	6,610
Under/(Over) Recovery	402
RoRB (Investment + KIBOR)	
Allowed	13,808
Actual	15,853
Under/(Over) Recovery	2,045
Other Income	
Allowed	-7,108
Actual	-17,577
Under/(Over) Recovery	-10,469
Total	-8,022

- ✓ The Authority is requested to consider and allow the true-up amounting to Rs. (8,022) (M) as PYA.

#### Turnover Tax for FY 2023-24:

- ✓ In line with Authority existing practice, the amount of Minimum Turnover Tax paid by MEPCO for FY 2023-24 is tabulated below:

Turnover Tax FY 2024-25		(Rs. In Million)
Description	Amount	Remarks
1st QTR 2023-24	440	CPR No. IT2023092701012231660
2nd QTR 2023-24	1,149	CPR No. IT2023122901011694786 & CPR No. IT202312301011717604
3rd QTR 2023-24	1,000	CPR No. IT20230901011968860
4th QTR 2023-24	2,412	CPR No. IT2024062801011988802
Payment with Tax Return 2024	587	CPR No. IT2024123101011857636
<b>Total</b>	<b>5,587</b>	

- ✓ The Authority is requested to consider and allow Rs. 5,587 (M) paid on account of Minimum Turnover Tax for FY 2023-24 as PYA.

#### Turnover Tax for FY 2024-25:

- ✓ Payment of Turnover Tax for first two quarters of FY 2024-25 has been made to FBR as detailed below:

Turnover Tax FY 2024-25			(In Million)
Description	Amount	Remarks	
1st QTR 2024-25	2,117	CPR No. IT2024092401011704844 & CPR No. IT2024092401011705361	
2nd QTR 2024-25	1,149	CPR No. IT2024122601011715469 & CPR No. IT2024122601011715468	
<b>Total</b>		<b>3,260</b>	

- ✓ The Authority is requested to consider Rs. 3,260 (M) paid on account of Turnover Tax for first two quarters of FY 2024-25 and allow the same during FY 2025-26 as PYA. The tentative amount of Turnover Tax due for third and fourth quarters of FY 2024-25 is narrated as under:



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Turnover Tax FY 2024-25		(Rs. In Million)
Description	Amount	Remarks
3rd QTR 2024-25	2,120	Due in March 2025
4th QTR 2024-25	1,140	Due in June 2025
Total:	3,260	

- ✓ The Authority is requested to consider and allow the same during FY 2026-27 as PYA.

**Turnover Tax TY 2018-2022 (Payment made Under ADRC Order):**

- ✓ It is apprised that pursuance to Federal Govt. Tax Laws (Amendment) Act 2024, whereby it is mandatory for the SOEs (Including MEPCO) to approach FBR for appointment of Alternate Dispute Resolution Committee (ADRC), if aggrieved by any orders of FBR, and the SOEs to withdraw all pending litigation and cases immediately. Accordingly, MEPCO approached FBR for appointment of ADRC for resolution of Turnover Tax Cases for the period FY 2017-18 to FY 2021-22 involving alleged obligation of Rs. 28,887 (M). FBR appointed ADRC which after due proceedings and accepting stance of MEPCO, resolved the subject issue of Minimum / Turnover Tax whereby MEPCO was required to deposit Rs. 9,430 (M) in quarterly installments completing the payment up till June 2026.

Turnover Tax TY 2018-2022 (ADRC Order)		(Rs. In Million)
Description	Amount	Remarks
ADRC Payment 1st Installment (Dec 2024)	2,000	CPR No. IT2024123101011851800 & CPR No. IT2024123101011852235
ADRC Payment 2nd Installment	694	Due in Mar-2025
ADRC Payment 3rd Installment	1,347	Due in Jun-2025
Total:	4,041	

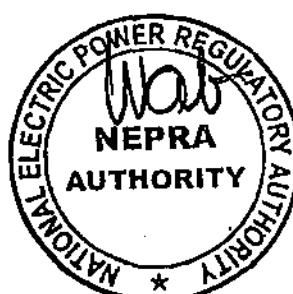
- ✓ The Authority is requested to allow Rs. 4,041 (M) on account of Turnover Tax during FY 2025-26 as PYA.
- ✓ Further apprised that quarterly installment due in four quarters of FY 2025-26 as per ADRC decision, have been claimed as PYA as summarized below:

Turnover Tax TY 2018-2022 (ADRC Order) (Rs. In Million)		
Description	Amount	Remarks
ADRC Payment (Due in FY 2025-26)	5,388	Due on Sept-2025, Dec-2025, Mar-2026 & Jun-2026
Total:	5,388	

- ✓ The Authority is requested to allow Rs. 5,388 (M) on account of Turnover Tax during FY 2026-27 as PYA.

**Post-Retirement Benefits (PRB) Less Determined:**

- ✓ In line with the decision of Authority to allow the Provision for PRB on the basis of Audited Financial Statements as well as to consider the amount of PRB Liability routed through Other Comprehensive Income (OCI) in future (Reference Para 5.41 of MEPCO Annual Indexation for FY 2024-25 under MYT), the difference of provision for PRB as per Audited Account for FY 2023-24 & provision allowed by the Authority and PRB Liability routed through OCI for FY 2023-24 is tabulated below:



*S. Hale*



PRB Liability Less Determined (Rs. In Million)	
Description	Amount
PRB Liability Routed through OCI for FY 2023-24	14,753
PRB Provision for FY 2023-24 Less Allowed	4,530
<b>Total</b>	<b>19,283</b>

- ✓ The Authority is requested to consider and allow to Rs. 19,283 (M) on account of PRB Liability less allowed for FY 2023-24 as PYA.

**Quarterly Adjustments UMPL Incremental Units for FY 2021-22:**

- ✓ The Ministry of Energy (GOP) notified Winter Package vide S.R.O. No. 1418 dated 05.11.2021 (Copy attached). The Package was applicable from 1st November 2021 to 28th February 2022 whereby rate Rs. 12.96/Kwh was charged to various consumer categories on incremental consumption. As per Clause-vii of the SRO, no quarterly adjustment was applicable on incremental consumption. The impact of non-applicability of quarterly adjustment on incremental units was not allowed to MEPCO in relevant PPP Quarterly Adjustments (QTAs). Accordingly, MEPCO has calculated the impact of under-recovered amount of Rs. 821 million (Annex-vi) which may please be allowed as PYA.

**Quarterly Adjustments Incremental Units:**

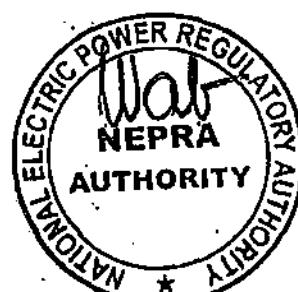
- ✓ The Clause-48(7) of the NEPRA Guideline for Determination of Consumer-End Tariff (Methodology and Process)-2015, "Since PPP as a whole is a pass through item, hence would be subject to some periodic adjustments". Accordingly, Quarterly/Bi-Annual Adjustments and Monthly Fuel Price Adjustment are allowed to the DISCOs.
- ✓ For the period from 1st Quarter of FY 2021-22 to 2nd Quarter of FY 2023-24, MEPCO has calculated the impact of less allowed Quarterly Adjustment (QTA) claims. The working is based on the revised amount of quarterly adjustments after taking into account the impact of actual PPP invoiced to MEPCO along with the impact of incremental units (where applicable) as per devised format. The impact of less allowed adjustments comes to Rs. 2,166 million (Annex-vii) attached) which is requested to be allowed as PYA.

**Financing of Delayed PPP Quarterly Adjustments:**

- ✓ In terms of Section 31(7) of Regulations for Generation, Transmission and Distribution of Electric Power (Amended) Act-2021, the Authority may on quarterly basis and not later than a period of fifteen days, make quarterly adjustment in the approved tariff, on account of capacity and transmission charges, impact of transmission and distribution losses.
- ✓ Further apprised that by virtue of delay in determination of PPP quarterly adjustments, MEPCO has always faced liquidity issues regarding payment of Power Purchase Price and other financial obligations which required the arrangement of additional working capital to discharge the financial liabilities. In this context, MEPCO has worked out the impact of financing for required additional working capital of Rs. 6,936 million against delayed period of determination on prevailing KIBOR of respective period. The same is requested to be allowed as PYA to bridge the financing gap.

**Differential Amount of Withholding/Advance Tax:**

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- ✓ The Authority allowed the amount of Minimum/Turnover Tax on the basis of CPRs provided by MEPCO. In this context, it is highlighted that payment of Minimum/Turnover Tax is made to FBR after adjustment of Withholding/Advance Tax from gross amount of Minimum Turnover Tax and CPRs are prepared for reduced amount paid to FBR. Whereas, while calculating Revenue Requirement, the Authority considers and reduce the gross amount of Other Income including profit on bank deposits. Hence the differential amount on account of Withholding/Advance Tax amounting to Rs. 2,150 Million (Annex-ix) may please be considered and allowed as PYA.

**GENCO Pensioners Liability:**

- ✓ ECC of the cabinet approved adjustment of Pensioners of GENCOs Power Plants under closure with following stipulations:

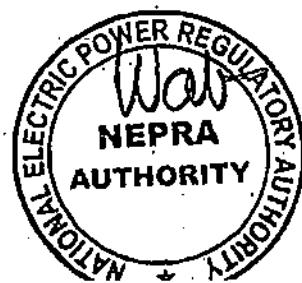
*"It is proposed that 2,368 Pensioners of GENCOs may be adjusted in their pension disbursing DISCOs or WAPDA. Similarly, 1,753 employees of these plants would be adjusted in DISCOs. Pensions of these employees will be paid by the relevant DISCOs on their retirement according to rules of the relevant DISCOs. In turn the respective DISCOs and WAPDA would claim adjustment of the same from NEPRA in their tariffs."*

- ✓ In pursuance of above, 563 pensioners (out of 2,368 Pensioners) have been adjusted in MEPCO however due to more than one surviving widows against one PPO number, the total number increases to 571 pensioners. This adjustment of GENCOs Pensioners in MEPCO is subject to Determination of NEPRA to allow this cost or otherwise.
- ✓ As per Actuarial Report prepared by Nauman Associates Consulting Actuaries, opening actuarial liability of these Pensioners has been assessed as Rs. 4,340 Million (Actuarial Report is attached as. The opening Actuarial liability of GENCO Pensioners amounting to Rs. 4,340 Million was requested by MEPCO in its Annual Indexation/Adjustment for FY 2023-24 & FY 2024-25, however the Authority not allowed the additional amount with the remarks that the petitioner has been allowed provision for PRB as per latest available Financial Statements which the Authority understand includes all employees as well as active pensioners. Authority is requested to re-consider the opening liability of GENCO Pensioners and allow Rs 4,340 Million as PYA.

**Bifurcation of PYA:**

- ✓ The Bifurcation of PYA is as under:

Sr. No.	Description	Rs. In Million			Rs. In Million		
		DOP	SOP	Total	DOP	SOP	Total
1	Sales Mix Variance FY 2022-23		4,898	4,898			
2	Under/Over Recovery of Quarterly Adjustment		6,826	6,816			
3	Under/Over Recovery of DM	6,379	788	7,167			
4	Turn-up FY 2023-24	-8,023		-8,022			
5	Turnover Tax FY 2023-24		5,587	5,587			
6	Turnover Tax FY 2024-25		3,260	3,260	3,260	3,260	
7	Turnover Tax (Payments made under ADRC Order)		4,041	4,041	5,388	5,388	
8	PRB Liability	18,076	1,213	19,289			
9	Quarterly Adjustment UMPU Incremental Units 2021-22		821	821			
10	Quarterly Adjustment Incremental Units		2,166	2,166			
11	Financing of Delayed PPP Quarterly Adj.		6,936	6,936			
12	Differential of WHT/Advance Tax		2,150	2,150			
13	GENCO Pensioners Liability	4,067	273	4,340			
	Total	20,494	38,959	59,453	8,648	8,648	





Indexation/True-Up for FY 2024-25

✓ Audited Accounts of MEPCO for FY 2024-25 have been finalized and approved by the AGM on 27.10.2025. Based on Audited Accounts as well as in accordance with Tariff Methodology, MEPCO requests the Authority to consider and allow the Indexation/True-Up, as tabulated below, in its instant decision of MEPCO MYT.

Nomenclature	Rs. In Million
True Ups FY 2024-25	2,459
DM Under/Over Recoveries FY 2024-25	6,851
QTR Adjustments	(858)
Sales Mix Variance	30,279
Opening PRB Liability of GENCO Employees	3,211
Un-Regulated Income	14,997
PRB Liability (OCI)	26,395
Write Off Bad Debts	4,450
<b>Total</b>	<b>87,784</b>

PYA Requested VS Determined FY 2025-26

Sr. No	Description	FY 2025-26	
		Requested	Interim Tariff Determined
1	Sales Mix Variance FY 2022-23	4,888	4,888
2	Under/Over Recovery of Quarterly Adjustments	6,626	4,624
3	Under/Over Recovery of DM	7,187	5,338
4	True-up FY 2023-24	(8,022)	(11,810)
5	Turnover Tax FY 2023-24	5,588	5,588
6	Turnover Tax FY 2024-25	3,260	3,260
7	Turnover Tax (Payment made under ADRC Order)	4,041	4,041
8	PRB Liability "	19,263	-
9	Quarterly Adjustments UMP/Incremental Units 2021-22	821	-
10	Quarterly Adjustments Incremental Units	2,188	-
11	Financing of Delayed PPP Quarterly Adj.	6,938	-
12	Differential of WHT/Advance Tax	2,150	-
13	GENCO Pensioners Liability	4,340	-
14	FCA Impact - Adjusted as PYA	-	231
15	Previous PYA Difference	-	2,003
16	PYA FY 2023-24 Under Recovered	-	2,478
	<b>Total</b>	<b>69,454</b>	<b>20,951</b>

Description		Amount
<b>4th Qtr FY 2022-23</b>		
Allowed Amount		25,350
Qtr. Rs/kWh		3.9856
Recovered		23,911
Under/(Over) Recovery		1,419
<b>1st Qtr FY 2023-24</b>		
Allowed Amount		(538)
Qtr. Rs/kWh		(0.7107)
Recovered		(1,013)
Under/(Over) Recovery		1,475
<b>2nd Qtr FY 2023-24</b>		
Allowed Amount		15,223
Qtr. Rs/kWh		2.7063
Recovered		12,853
Under/(Over) Recovery		2,380
<b>3rd Qtr FY 2023-24</b>		
Allowed Amount		3,337
Qtr. Rs/kWh		0.4639
Recovered		2,512
Under/(Over) Recovery		825
<b>4th Qtr FY 2023-24</b>		
Allowed Amount		7,967
Qtr. Rs/kWh		1.8146
Recovered		7,240
Under/(Over) Recovery		727
Total Under/(Over) Recovery		5,826

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



Description	Period		Total
	01 Jul 2023 to 11 Jul 2023	12 July 2023 to 30 Jun 2024	
<b>DM Allowed in Determination 2023-24</b>			<b>46,391</b>
<b>DM Recovered</b>			
Units Sold (kWh)	761	16,143	16,904
ISP-2 Incremental Units (kWh)	(24)	(284)	(308)
Net Metering (adjusted) Units kWh	(3)	(82)	(85)
Net Unit Sold (kWh)	734	15,777	16,511
DM Rate Rs/kWh	1.85	2.40	1.85 & 2.40
DM Recovered	1,358	37,865	39,224
<b>Under/(Over) Recovered</b>			<b>7,167</b>

True Up FY 2023-24	
<b>Depreciation</b>	
Allowed	6,208
Actual	6,610
<b>Under/(Over) Recovery</b>	<b>402</b>
<b>RoRB (Investment + KIBOR)</b>	
Allowed	13,808
Actual	15,853
<b>Under/(Over) Recovery</b>	<b>2,045</b>
<b>Other Income</b>	
Allowed	(7,108)
Actual	(7,577)
<b>Under/(Over) Recovery</b>	<b>(10,469)</b>
<b>Total True Up</b>	
	<b>(8,022)</b>

Turnover Tax FY 2023-24		
Description	Amount (In Million)	Remarks
1st QTR 2023-24	440	CPR No. IT2023092701012231860
2nd QTR 2023-24	1,148	CPR No. IT2023122901011884788 & CPR No. IT202312301011717604
3rd QTR 2023-24	1,000	CPR No. IT20230901011888860
4th QTR 2023-24	2,412	CPR No. IT2024082801011999802
Payment with Return 2024	587	CPR No. IT2024123101011857638
<b>Total</b>	<b>5,587</b>	



*Mark Q*



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

Turnover Tax FY 2024-25		
Description	Amount (In Million)	Remarks
1st QTR 2024-25	2,117	CPR No. IT2024092401011704844 & CPR No. IT2024092401011705381
2nd QTR 2024-25	1,143	CPR No. IT2024122601011715459 & CPR No. IT2024122601011715468
Total:	3,260	

Turnover Tax FY 2024-25		
Description	Amount (In Million)	Remarks
3rd QTR 2024-25	2,120	Due
4th QTR 2024-25	1,140	Due
Total:	3,260	

Financial Year	Quarter	Revised Amount	Amount Allowed	Less/ (Excess)
FY 2021-22	2nd	7,641	7,074	567
	3rd	2,424	2,170	254
<b>TOTAL</b>		10,065	9,244	821

**Quarterly Adjustments Incremental Units**

Rs. In Million

Financial Year	Quarter	Revised Amount	Amount Allowed	Less/ (Excess)
2021-22	1st	4,114	3,782	332
	4th	19,530	19,530	-
2022-23	1st	10,657	10,604	53
	2nd	2,393	2,354	39
	3rd	10,120	10,173	(53)
	4th	27,240	25,930	1,910
2023-24	1st	(727)	(538)	(189)
	2nd	15,287	15,293	54
<b>Total</b>		88,614	86,448	2,165



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

**Financing of Delayed PPP Quarterly Adjustments**

Period	Sub-mkt Unit Quota	Debt rating Quota Due Date	DEPTA Under/Over Due	Bal. in Lender	Revised Prn to Lg	Finance Cost		
						Initial Due	Revised Due	Amount in Million
1st Quarterly Adjustment FY 2023-24	31,470.2	15-Nov-23	12,330.3	0	11,821	11,821	11,821	0.17
2nd Quarterly Adjustment FY 2023-24	30,110.3	21-Nov-23	12,330.3	0	10,547	10,547	10,547	0.17
3rd Quarterly Adjustment FY 2023-24	29,740.5	28-Nov-23	12,330.3	0	9,273	9,273	9,273	0.17
4th Quarterly Adjustment FY 2023-24	29,370.7	05-Dec-23	12,330.3	0	8,000	10,035	11,195	0.17
1st Quarterly Adjustment FY 2023-24	29,000.9	12-Dec-23	12,330.3	0	6,726	11,145	11,145	0.17
2nd Quarterly Adjustment FY 2023-24	28,631.1	19-Dec-23	12,330.3	0	5,453	10,232	11,354	0.17
3rd Quarterly Adjustment FY 2023-24	28,261.3	26-Dec-23	12,330.3	0	4,179	11,495	8,119	0.17
4th Quarterly Adjustment FY 2023-24	27,891.5	02-Jan-24	12,330.3	0	2,906	11,495	9,315	0.17
1st Quarterly Adjustment FY 2023-24	27,521.7	09-Jan-24	12,330.3	0	1,632	11,495	9,315	0.17
2nd Quarterly Adjustment FY 2023-24	27,151.9	16-Jan-24	12,330.3	0	0,359	11,495	9,315	0.17
3rd Quarterly Adjustment FY 2023-24	26,782.1	23-Jan-24	12,330.3	0	0	11,495	9,315	0.17
4th Quarterly Adjustment FY 2023-24	26,412.3	30-Jan-24	12,330.3	0	0	11,495	9,315	0.17
1st Quarterly Adjustment FY 2023-24	26,042.5	06-Feb-24	12,330.3	0	0	11,495	9,315	0.17
2nd Quarterly Adjustment FY 2023-24	25,672.7	13-Feb-24	12,330.3	0	0	11,495	9,315	0.17
3rd Quarterly Adjustment FY 2023-24	25,302.9	20-Feb-24	12,330.3	0	0	11,495	9,315	0.17
4th Quarterly Adjustment FY 2023-24	24,933.1	27-Feb-24	12,330.3	0	0	11,495	9,315	0.17
1st Quarterly Adjustment FY 2023-24	24,563.3	05-Mar-24	12,330.3	0	0	11,495	9,315	0.17
2nd Quarterly Adjustment FY 2023-24	24,193.5	12-Mar-24	12,330.3	0	0	11,495	9,315	0.17
3rd Quarterly Adjustment FY 2023-24	23,823.7	19-Mar-24	12,330.3	0	0	11,495	9,315	0.17
4th Quarterly Adjustment FY 2023-24	23,453.9	26-Mar-24	12,330.3	0	0	11,495	9,315	0.17
1st Quarterly Adjustment FY 2023-24	23,084.1	02-Apr-24	12,330.3	0	0	11,495	9,315	0.17
2nd Quarterly Adjustment FY 2023-24	22,714.3	09-Apr-24	12,330.3	0	0	11,495	9,315	0.17
3rd Quarterly Adjustment FY 2023-24	22,344.5	16-Apr-24	12,330.3	0	0	11,495	9,315	0.17
4th Quarterly Adjustment FY 2023-24	21,974.7	23-Apr-24	12,330.3	0	0	11,495	9,315	0.17
1st Quarterly Adjustment FY 2023-24	21,604.9	30-Apr-24	12,330.3	0	0	11,495	9,315	0.17
2nd Quarterly Adjustment FY 2023-24	21,235.1	07-May-24	12,330.3	0	0	11,495	9,315	0.17
3rd Quarterly Adjustment FY 2023-24	20,865.3	14-May-24	12,330.3	0	0	11,495	9,315	0.17
4th Quarterly Adjustment FY 2023-24	20,495.5	21-May-24	12,330.3	0	0	11,495	9,315	0.17
1st Quarterly Adjustment FY 2023-24	20,125.7	28-May-24	12,330.3	0	0	11,495	9,315	0.17
2nd Quarterly Adjustment FY 2023-24	19,755.9	04-Jun-24	12,330.3	0	0	11,495	9,315	0.17
3rd Quarterly Adjustment FY 2023-24	19,386.1	11-Jun-24	12,330.3	0	0	11,495	9,315	0.17
4th Quarterly Adjustment FY 2023-24	18,916.3	18-Jun-24	12,330.3	0	0	11,495	9,315	0.17
1st Quarterly Adjustment FY 2023-24	18,546.5	25-Jun-24	12,330.3	0	0	11,495	9,315	0.17
2nd Quarterly Adjustment FY 2023-24	18,176.7	02-Jul-24	12,330.3	0	0	11,495	9,315	0.17
3rd Quarterly Adjustment FY 2023-24	17,806.9	09-Jul-24	12,330.3	0	0	11,495	9,315	0.17
4th Quarterly Adjustment FY 2023-24	17,437.1	16-Jul-24	12,330.3	0	0	11,495	9,315	0.17
1st Quarterly Adjustment FY 2023-24	17,067.3	23-Jul-24	12,330.3	0	0	11,495	9,315	0.17
2nd Quarterly Adjustment FY 2023-24	16,707.5	30-Jul-24	12,330.3	0	0	11,495	9,315	0.17
3rd Quarterly Adjustment FY 2023-24	16,337.7	06-Aug-24	12,330.3	0	0	11,495	9,315	0.17
4th Quarterly Adjustment FY 2023-24	15,967.9	13-Aug-24	12,330.3	0	0	11,495	9,315	0.17
1st Quarterly Adjustment FY 2023-24	15,608.1	20-Aug-24	12,330.3	0	0	11,495	9,315	0.17
2nd Quarterly Adjustment FY 2023-24	15,238.3	27-Aug-24	12,330.3	0	0	11,495	9,315	0.17
3rd Quarterly Adjustment FY 2023-24	14,868.5	03-Sep-24	12,330.3	0	0	11,495	9,315	0.17
4th Quarterly Adjustment FY 2023-24	14,508.7	10-Sep-24	12,330.3	0	0	11,495	9,315	0.17
1st Quarterly Adjustment FY 2023-24	14,138.9	17-Sep-24	12,330.3	0	0	11,495	9,315	0.17
2nd Quarterly Adjustment FY 2023-24	13,769.1	24-Sep-24	12,330.3	0	0	11,495	9,315	0.17
3rd Quarterly Adjustment FY 2023-24	13,409.3	01-Oct-24	12,330.3	0	0	11,495	9,315	0.17
4th Quarterly Adjustment FY 2023-24	13,039.5	08-Oct-24	12,330.3	0	0	11,495	9,315	0.17
1st Quarterly Adjustment FY 2023-24	12,670.7	15-Oct-24	12,330.3	0	0	11,495	9,315	0.17
2nd Quarterly Adjustment FY 2023-24	12,300.9	22-Oct-24	12,330.3	0	0	11,495	9,315	0.17
3rd Quarterly Adjustment FY 2023-24	11,931.1	29-Oct-24	12,330.3	0	0	11,495	9,315	0.17
4th Quarterly Adjustment FY 2023-24	11,561.3	05-Nov-24	12,330.3	0	0	11,495	9,315	0.17
1st Quarterly Adjustment FY 2023-24	11,191.5	12-Nov-24	12,330.3	0	0	11,495	9,315	0.17
2nd Quarterly Adjustment FY 2023-24	10,821.7	19-Nov-24	12,330.3	0	0	11,495	9,315	0.17
3rd Quarterly Adjustment FY 2023-24	10,451.9	26-Nov-24	12,330.3	0	0	11,495	9,315	0.17
4th Quarterly Adjustment FY 2023-24	10,082.1	03-Dec-24	12,330.3	0	0	11,495	9,315	0.17
1st Quarterly Adjustment FY 2023-24	9,712.3	10-Dec-24	12,330.3	0	0	11,495	9,315	0.17
2nd Quarterly Adjustment FY 2023-24	9,342.5	17-Dec-24	12,330.3	0	0	11,495	9,315	0.17
3rd Quarterly Adjustment FY 2023-24	8,972.7	24-Dec-24	12,330.3	0	0	11,495	9,315	0.17
4th Quarterly Adjustment FY 2023-24	8,602.9	31-Dec-24	12,330.3	0	0	11,495	9,315	0.17
<b>Total</b>								<b>6,316</b>

**True-Ups FY 2024-25**

Depreciation	Rs. in Million
Allowed	6,622
Actual	7,488
Under/(Over) Recovery	866
RoRB (Investment + KIBOR)	
Allowed	12,652
Actual	17,247
Under/(Over) Recovery	4,395
Other Income	
Allowed	(7,108)
Actual	(9,910)
Under/(Over) Recovery	(2,802)
<b>Total True-Ups</b>	<b>12,459</b>

**D.M. Under/(Over) Recovery**

Description	Rs. in Million
<b>DM Allowed FY 2024-25</b>	<b>56,903</b>
<b>DM Recovered</b>	
Units Sold (kWh)	16,569
Incremental Units (kWh)	(65)
Net Metering (adjusted) Units kWh	(343)
Net Units Sold (kWh)	16,156
DM Allocated Rate Rs/kWh	3.10
Actual DM Recovered	50,052
<b>Under/(Over) Recovered DM</b>	<b>6,851</b>

**QTA Under/(Over) Recovery of QTA Adjustments**

Description	Amount
1st Qtr FY 2022-23	
Allowed Amount	25,330
Qtr. Rs/kWh	3.9556
Recovered	23,911
Under/(Over) Recovery	1,419
2nd Qtr FY 2024-25	
Allowed Amount	(10,709)
Qtr. Rs/kWh	(2.0023)
Recovered	(10,170)
Under/(Over) Recovery	(539)
3rd Qtr FY 2024-25	
Allowed Amount	(15,778)
Qtr. Rs/kWh	(2.5792)
Recovered	(14,040)
Under/(Over) Recovery	(1,738)
<b>Total Under/(Over) Recovery</b>	<b>(858)</b>

Note: Under/(Over) Recovery of 4th Quarter of FY 2022-23 QTA was requested via Annual Indexation Request for FY 2024-25, however the same was not considered by the Authority.

Malik, Q.



14.2. The Authority has analyzed the PYA workings submitted by the Petitioner and also obtained additional information, including 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
	MEPCO
QTR	3,895
D.M	11,040
PYA	2,209
Sales Mix	4,898
True Ups	-
2023-24	(9,535)
2024-25	(3,419)
Other Head	10,650
<b>Total</b>	<b>19,739</b>

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

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 supported recovery of network Distribution costs associated with energy exported by net-metering consumers. Exported units suffer technical losses on the way to the receiving consumer. These losses are borne by MEPCO but not currently compensated under net-metering settlement.

15.2. The proposed recovery of distribution component is as:

Distribution Loss levy = Exported kWh x Distribution loss component (percentage) x Energy Purchase Price (per kWh)

15.3. 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*

15.4. 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.

15.5. Here it is also pertinent to highlight that the Authority, 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.



15.6. 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 upon notification of the NEPRA (Prosumer) Regulations; including finalization of the methodology and rate for units exported by such consumers. 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 it achieved 100% recovery targets during FY 2024-25. However, 100% recovery against current billing is not realized within the same financial year. Typically, around 12%-13% of the billed amount remains outstanding and is recovered in subsequent months. However, Recovery Target @100% for each year under MYT Control Period have been provided. In this cyclic process, approximately Rs. 900 million becomes irrecoverable each year despite disconnection actions and other legal proceedings initiated for the recovery of arrears. Additional recovery efforts were also undertaken through DISCO Support Unit (DSU) to minimize arrears and improve overall collection performance.

16.2. While undertaking all efforts to recover the arrears, around Rs. 800-900 million is classified as unrecoverable, every year. In the view of above, an amount of Rs. 4,450 million is provisioned as bad debt for FY2026 to FY 2030.

16.3. The following criteria is fulfilled before writing off bad debts:

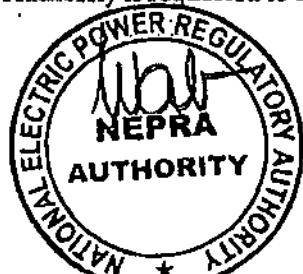
**Criteria for written-off of bed debt: -**

- ✓ Age of arrears is more than 03 years.
- ✓ There is no error / mistake in billing nor any civil suit as per available record.
- ✓ The premises has no running connection.
- ✓ Security deposit against defaulting connection adjusted.
- ✓ There is no other connection in the name of defaulter.

16.4. The Petitioner subsequently vide letter dated 19.11.2025, referred to Section 5.3.2 of the NE Policy 2021 by stating that NE Policy provides that timely recovery of bad debts that is prudent shall be allowed by the Regulator with the incorporation of facilitative provisions in the Regulatory frame work as per industry practices and procedures. MEPCO further provided the following abstract of its recovery loss during the preceding years;

FY	Annual Billing	Disconnected Arrears (Added during the year)	% Share
2017-18	176,024	1,494	0.85%
2018-19	209,568	676	0.32%
2019-20	239,410	580	0.24%
2020-21	272,576	766	0.28%
2021-22	364,079	415	0.11%
2022-23	485,965	1,474	0.30%
2023-24	676,689	7,875	1.15%
2024-25	627,754	5,470	0.87%

16.5. The Petitioner submitted that based on these statistics, historically recovery loss/ bad debts allowance @ 0.62% is confronted, accordingly the Authority is requested to allow recovery





loss/bad debt allowance for billing amount of each year of the current MYT control period i.e. FY 2025-26 to 2029-30 to ensure sufficient liquidity for MEPCO as well as to align the collection targets with the existing market realities. The Petitioner further stated that this request of allowing recovery loss/ bad debt allowance is in addition to the already requested amount of Rs.4,450 million on account of write-off bad debts.

- 16.6. The Authority noted that, historically, XWDISCOs have not been allowed any recovery loss, and tariff determinations have been based on the assumptions of 100% recovery. While write offs were allowed to certain XWDISCOs on provisional basis, subject to fulfillment of the prescribed criteria, but no XWDISCO was ultimately able to meet the said criteria and write-off any amount. Consequently, the provisionally allowed amounts of write-offs were adjusted back.
- 16.7. The Authority further notes that, although recovery loss was initially allowed to K-Electric, the matter was revisited pursuant to Motions for Leave for Review filed by various stakeholders including the Ministry of Energy (MoE) itself, and the CPPA-G. Upon reconsideration, 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.
- 16.8. 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.

16.9. 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.

16.10. 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, MEPCO's tariff is being determined on the basis of 100% recovery target. MEPCO, 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%

16.11. The aforementioned cap is calculated based on request of the Petitioner that around 800 to 900 million remain un-recoverable annually, which works out as 0.15% of the allowed revenue requirement CY 2026. The same is allowed to the Petitioner as a maximum cap subject to fulfillment of write off criteria.

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 the corresponding amount of the fixed cost component charged by CPPA may be apportioned across all consumer categories. For example, an industrial consumer, on one side pays fixed charges and on the other hand they also pay fixed portion included in the unit cost, resultantly pay more fixed charges. Apportioned fixed charges across all tariff categories will reduce the variable component of the tariff and distribute the burden of fixed charges among all consumers.

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 amendments, 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 as per Clause 27 of Part 6 (Schedule of Tariff) of NEPRA Guidelines for determination of Consumer End Tariff (Methodology and Process), 2015:  
*"An annual or multi-year tariff shall be based on a cost-of-service study"*

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:

- Subsidies to protected categories of residential consumers shall be disbursed directly pursuant to the detailed action plan to be developed under Strategic Directive 067;
- Residential consumers (below cost recovery) shall be cross subsidized by:
  - industrial & commercial consumers, pursuant to the Strategic Directive 084;
  - 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. The Authority notes that submissions were received from DISCOs on the subject; however, the Authority observes that the issue raised stands substantially addressed within the existing regulatory framework.

20.2. The Authority is of the view that appropriate sharing mechanism for any savings by the utility have already been provided under each head separately e.g. O&M costs, T&D losses, cost of debt etc. therefore, no separate claw-back mechanism is required. However, in the event any additional return by the Petitioner, which is not otherwise addressed under the approved mechanism, the same would be shared between DISCO and consumers equally.





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

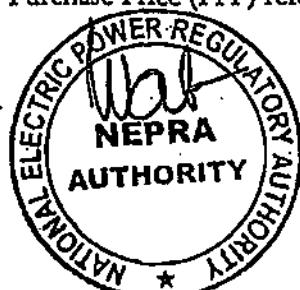
21.1. The Ministry of Energy (MoE) vide letter dated 18.08.2025, submitted that NEPRA determines the consumer-end tariff for XWDISCOs and K-Electric in accordance with Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the Act), read with Rule 17 of the Rules, 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 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 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.

21.2. The Ministry 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.

21.3. 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.

21.4. 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."*

21.5. MEPCO 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



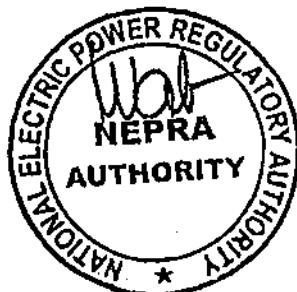


2026, accordingly, it is submitted that the references for the remaining period up to December 2026 may also be determined, in line with the above-mentioned directives.

- 21.6. MEPCO 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.
- 21.7. MEPCO 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.
- 21.8. 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	MEPCO
Salaries, Wages & Other Benefits	12,847
Post Retirement Benefits	15,391
Other O & M Costs	6,474
Depreciation	5,199
Return on Rate Base	9,868
Turn Over Tax	
Gross Distribution Margin	49,779
Less: Other Income	(4,607)
Net Distribution Margin	45,171
PYA	
Total	45,171

- 21.9. 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.
- 21.10. 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 MEPCO for the period from July 1, 2026 to December 31, 2026 as under:





July to  
December  
2026  
FY 2026-27

Description

Unit

Pay & Allowances	10,804
Post Retirement Benefits	13,922
Repair & Maintenance	1,117
Traveling allowance	681
Vehicle maintenance	394
Other expenses	1,902
<b>O&amp;M Cost</b>	<b>28,820</b>
Depreciation	4,518
RORB	5,095
O.Income	(4,366)
<b>Margin</b>	<b>34,068</b>

[Mn. Rs.]

[Mn. Rs.]

- 21.11. 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.
- 21.12. 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.
- 21.13. 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.

**22. Order**

- 22.1. 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 Supply function is summarized as under;



*2. Mathe*



Description	Unit	Revised Allowed FY 2025-26	Allowed CY 2026
Units Received	[MkWh]	18,427	
Units Sold	[MkWh]	16,387	
Units Lost	[MkWh]	2,090	
Units Lost	[%]	11.34%	
Energy Charge		149,524	
Capacity Charge		290,152	
Transmission Charge & Market Operation Fee		36,665	
Power Purchase Price	[Mln. Rs.]	476,341	
Wire Business Margin		59,107	
Power Purchase Price with Wire Business	[Mln. Rs.]	535,448	
Pay & Allowances		3,594	3,573
P.M Assistance Package		4,556	4,912
Post Retirement Benefits		42	41
Repair & Maintenance		282	226
Traveling allowance		163	163
Vehicle maintenance		789	825
Other expenses		9,427	9,740
O&M Cost.	[Mln. Rs.]		
Depreciation		169	184
RORB		225	214
O.Income		(5,675)	(5,548)
Margin	[Mln. Rs.]	4,145	4,590
Prior Year Adjustment			8,794
Working Capital	[Mln. Rs.]		(1,671)
Revenue Requirement	[Mln. Rs.]	4,145	547,161
Average Tariff	[Rs./kWh]		33.49

22.2. 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.

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



*✓ Mark*



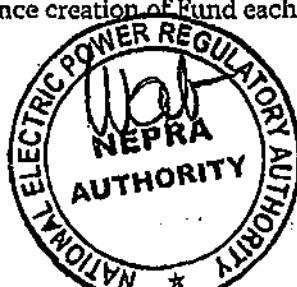
*Determination of the Authority in the matter of MYT Petition  
of MEPCO for Supply Tariff under the MYT Regime*

Description	Pass Through	ADJUSTMENTS/ INDEXATION	TIME LINES
Power Purchase Price		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 situated on Quarterly basis.	Data to be provided by CPPA (G) by close of the month.
Variable O&M	Pass through	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/UOSC & MOP 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 Benefits		Annually as per the mechanism given in the decision	
Other operating expenses			
Depreciating			
Return on Regulatory Asset Base			
Other Income			
Prior Year Adjustment		Annually as per the mechanism given in the decision	
LIBOR		Bi-Annually, as per the decision	
Return on Equity (ROE)		No adjustment allowed over Reference ROE	
Spread		As per the mechanism in the decision	

- 22.4. 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.
- 22.5. The Petitioner is directed to ensure separate disclosure of each item in its audited financial statements as mentioned in the determination.
- 22.6. 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.
- 22.7. 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;
- 22.8. 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.
- 22.9. 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.
- 22.10. 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.

**23. Summary of Direction**

- 23.1. 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.
  - 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 PITC and submit such reconciliation to the Authority every year.
- vi. To provide a certification from its Auditors that Repair and Maintenance expenditure does not include any CAPEX nature item.
- vii. To ensure that by the time it files its next tariff petition/ adjustment request, MDI for all consumers at all levels is properly recorded..

24. 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.

25. 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.

**AUTHORITY**

Amina Ahmed

Amina Ahmed  
Member

Maqsood Anwar Khan

Engr. Maqsood Anwar Khan  
Member

W.M

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.

*Q. Murtuza*



### 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) =  $\text{PPP}_{(\text{Actual})} \text{ (excluding Fuel cost)} - \text{PPP}_{(\text{Recovered})} \text{ (excluding Fuel cost)}$

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

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

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.

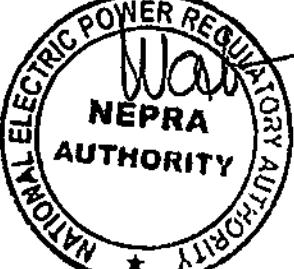
The sum of amounts so worked for each month of the Quarter shall be divided by the Projected units to be sold as determined by the Authority to work out Rs./kWh Quarterly adjustment.



**Multan Electric Power Company (MEPCO)  
Estimated Sales Revenue on the Basis of New Tariff**

Description	Sales		Base Revenue			Base Tariff			PYA 2025		Total Tariff		
	GWh	% Mix	Fixed Charge	Variable Charge	Total	Fixed Charge	Fixed Charge	Variable Charge	Amount	Variable Charge	Fixed Charge	Fixed Charge	Variable Charge
		Min. Rs.	Min. Rs.	Min. Rs.	Rs/JcW/H	Rs/JcW/H	Rs/JcW/H	Rs/JcW/H	Min. Rs.	Rs/JcW/H	Rs/JcW/H	Rs/JcW/H	Rs/JcW/H
<b>Residential</b>													
<b>Protected</b>	For peak load requirement less than 5 kW												
	Up to 50 Units - Life Line	55	0.34%	-	1,595	1,595	-	-	28.84	30	0.54	-	-
	51-100 Units - Life Line	78	0.48%	-	2,230	2,230	-	-	29.55	41	0.54	-	-
	01-100 Units	3316	20.30%	-	107,214	107,214	-	-	32.34	1,745	0.54	-	-
<b>Un-protected</b>	101-200 Units	608	4.85%	-	28,055	28,055	-	-	32.20	438	0.54	-	-
	01-100 Units	577	3.53%	-	18,820	18,820	-	-	32.62	311	0.54	-	-
	101-200 Units	1237	7.70%	-	42,803	42,803	-	-	34.05	877	0.54	-	-
	201-300 Units	1810	11.13%	-	82,115	82,115	-	-	34.15	879	0.54	-	-
	301-400 Units	702	4.48%	428	24,472	24,472	200	-	33.43	384	0.54	200	-
	401-500 Units	335	2.05%	314	11,081	11,081	400	-	33.01	180	0.54	400	-
	501-600 Units	172	1.05%	210	3,650	3,650	600	-	32.81	93	0.54	600	-
	601-700 Units	102	0.82%	141	3,312	3,312	800	-	32.68	55	0.54	800	-
<b>For peak load requirement exceeding 5 kW</b>	Above 700 Units	221	1.25%	258	7,184	7,184	1,000	-	32.51	118	0.54	1,000	-
	Time of Use (TOU) - Peak	84	0.51%	808	2,782	2,690	1,000	-	33.15	45	0.54	1,000	-
	Time of Use (TOU) - Off-Peak	320	1.85%	-	9,768	9,768	1,500	-	36.82	172	0.54	1,000	-
	Temporary Supply	1	0.00%	1	22	23	2,000	-	36.16	0	0.54	2,000	-
Total Residential		8,875	66.45%	2,218	525,144	327,403				5,315			
<b>Commercial - A2</b>													
<b>For peak load requirement less than 5 kW</b>	For peak load requirement less than 5 kW	484	2.84%	8,090	10,311	18,401	1,000	-	22.23	250	0.54	1,000	-
	For peak load requirement exceeding 5 kW												
<b>Regular</b>	Regular	0	0.00%	-	-	-	-	-	1,250	22.02	-	0.54	-
	Time of Use (TOU) - Peak	131	0.80%	-	4,128	4,128	-	-	1,250	31.54	70	0.54	-
	Time of Use (TOU) - Off-Peak	593	3.45%	4,438	13,313	17,752	-	-	1,250	23.63	303	0.54	-
	Temporary Supply	12	0.07%	23	418	445	5,000	-	1,250	14.29	7	0.54	5,000
	Electric Vehicle Charging Station	0	0.00%	-	0	0	-	-	1,250	15.97	0	0.54	-
	Total Commercial	1,170	7.15%	10,557	28,166	38,724				630			
<b>General Services-A3</b>		365	2.24%	433	10,318	10,891	1,000	-	28.47	197	0.54	1,000	-
<b>Industrial</b>													
<b>B1</b>	B1	19	0.11%	59	877	736	1,000	-	38.51	10	0.54	1,000	-
	B1 Peak	28	0.23%	-	1,518	1,518	1,000	-	38.85	21	0.54	1,000	-
	B1 Off-Peak	236	1.45%	343.50	8,090	8,474	1,000	-	34.21	127	0.54	1,000	-
	B2	0	0.00%	0	1	1	-	-	1,250	35.05	0	0.54	-
	02 - TOU (Peak)	138	0.85%	-	5,487	5,487	-	-	1,250	39.34	75	0.54	-
	02 - TOU (Off-peak)	761	4.68%	5,081	22,378	27,458	-	-	1,250	29.39	410	0.54	-
	03 - TOU (Peak)	172	1.05%	-	6,794	6,794	-	-	1,250	39.51	93	0.54	-
	03 - TOU (Off-peak)	693	6.51%	4,061	22,424	26,504	-	-	1,250	44.93	445	0.54	-
	04 - TOU (Peak)	86	0.59%	-	3,785	3,785	-	-	1,250	39.39	51	0.54	-
	04 - TOU (Off-peak)	469	2.98%	2,225	14,441	16,666	-	-	1,250	28.53	263	0.54	-
	Temporary Supply	0	0.00%	2	28	30	8,000	-	1,250	40.42	0	0.54	8,000
	Total Industrial	2,852	17.46%	11,831	85,807	97,458				1,815			
<b>Single Point Supply</b>													
<b>C1(a)</b> Supply at 400 Volts-less than 5 kW	C1(a) Supply at 400 Volts-less than 5 kW	0	0.00%	0	0	0	2,000	-	32.00	0	0.54	2,000	-
	C1(b) Supply at 400 Volts-exceeding 5 kW	1	0.01%	4	22	28	-	-	1,250	18.55	1	0.54	-
	Time of Use (TOU) - Peak	5	0.04%	-	172	172	-	-	1,250	30.02	3	0.54	-
	Time of Use (TOU) - Off-Peak	34	0.21%	80	811	890	-	-	1,250	23.87	16	0.54	-
	C2 Supply at 11 KV	1	0.03%	2	13	15	-	-	1,250	19.26	0	0.54	-
	Time of Use (TOU) - Peak	36	0.22%	-	1,165	1,165	-	-	1,250	32.89	10	0.54	-
	Time of Use (TOU) - Off-Peak	170	1.04%	811	2,697	3,701	-	-	1,250	17.02	92	0.54	-
	C3 Supply above 11 KV	0	0.00%	-	-	-	-	-	1,250	27.26	-	0.54	-
<b>Single Point Supply</b>	Time of Use (TOU) - Peak	0	0.04%	-	230	230	-	-	1,250	26.88	3	0.54	-
	Time of Use (TOU) - Off-Peak	29	0.17%	128	723	831	-	-	1,250	25.32	15	0.54	-
	Total Single Point Supply	283	1.71%	1,625	6,013	7,058				152			
<b>Agricultural Tube-wells - Tariff D</b>													
<b>Scarp</b>	Scarp	0	0.00%	-	1	1	-	-	1,250	22.63	0	0.54	-
	Time of Use (TOU) - Peak	1	0.01%	-	18	18	-	-	1,250	19.81	0	0.54	-
	Time of Use (TOU) - Off-Peak	18	0.11%	28	315	341	-	-	1,250	17.84	40	0.54	-
	Agricultural Tube-wells	0	0.00%	0	8	8	-	-	1,250	30.10	0	0.54	-
	Time of Use (TOU) - Peak	247	1.51%	-	8,385	8,395	-	-	1,250	33.86	133	0.54	-
	Time of Use (TOU) - Off-Peak	1461	6.84%	3,380	42,930	46,290	-	-	1,250	28.39	786	0.54	-
Total Agricultural		1,727	10.57%	3,388	51,667	55,053				929			
<b>Public Lighting - Tariff G</b>													
<b>Residential Colonies</b>	Public Lighting - Tariff G	60	0.37%	38	1,844	1,880	2,000	-	27.10	33	0.54	2,000	-
	Residential Colonies	5	0.03%	2	119	121	2,000	-	22.52	3	0.54	2,000	-
	Railway Traction	0	0.00%	-	-	-	2,000	-	23.45	-	0.54	2,000	-
Grand Total		16,337	100%	35	1,764	1,802				8,794			

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



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RECEIVED BY THE STATE OF FLORIDA CITY, TALLAHASSEE, AT THE STATE OF FLORIDA, ON BEHALF OF THE FLORIDA POWER AND LIGHT COMPANY, INC., FOR THE FLORIDA POWER AND LIGHT COMPANY, INC., FOR THE FLORIDA POWER AND LIGHT COMPANY, INC.,

GENERAL TARIFF - RESIDENTIAL

Sl. No.	TAXIFY CATEGORY / PARTNOVLAKE	PEAK CHARGE Rs / Cals / M	OFF-PEAK Rs / KW / M	VARIABLE CHARGE Rs / kWh	PTA 2022		Total Variable charge Rs/kWh	
					Rs/LWh			
					A	B		
10	For Standard load less than 8 kW							
11	Up to 80 Units - Life Line			23.94	0.44		23.94	
12	81 - 100 Units - Life Line			27.63	0.44		26.09	
13	101 - 150 Units			23.94	0.44		23.97	
14	151 - 200 Units			33.26	0.44		32.76	
15	201 - 300 Units			24.61	0.44		23.16	
16	301 - 400 Units			24.03	0.44		23.49	
17	401 - 500 Units			24.16	0.44		23.49	
18	501 - 600 Units	300		22.12	0.44		21.97	
19	601 - 700 Units	400		22.41	0.44		22.25	
20	601 - 700 Units	600		22.81	0.44		22.98	
21	601 - 700 Units	800		22.89	0.44		23.21	
22	Above 700 Units	1,000		22.81	0.44		23.03	
23	For Standard load 8 kW & above							
	Time of Day				Peak	Off-Peak		
	11 AM - 12 PM - 1 PM - 2 PM	1,000		29.12	20.92	0.44	23.69	
	3 PM - 4 PM - 5 PM - 6 PM	4,000		23.94	22.41	0.44	22.58	

As the author has for many years maintained that the best way to do this is to do the best of what we have.

#### નિર્ણયાનુભૂતિના પ્રાણી વિધાન

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No. 733, for 2013 and 2014 marks

Рн. 150), так как несет ряд идей.

GENERAL SUPPLY TRADE COMMERCIAL

Sr. No.	TAXPAYER CATEGORY / PARTICULARS	FIXED CHARGES		VARIABLE CHARGES		PFA 2023		Total Variable Charge Rs./kwh Ex-Ctg
		Rs./Cess / M	Rs./kwh / M	Rs./kwh	Rs./kwh	Rs./kwh	Rs./kwh	
1	For Residential load less than 5 kwh	1,000		22.23		0.44		22.77
2	For Residential load of kwh & above	1,500		22.12		0.44		22.56
3	For Industrial load			Peak	Off-Peak	Peak	Off-Peak	Peak
4	For Industrial load less than 1000 kwh	1,010	31.63	33.65	33.97	0.44	0.44	74.13
5	For Industrial load of 1000 kwh & above	1,510	31.63	33.65	33.97	0.44	0.44	74.13
6	For Grid Connected Residential load			Peak	Off-Peak	Peak	Off-Peak	Peak
7	For Grid Connected Residential load	1,025	25.02	25.02	25.02	0.44	0.44	50.21
8	For Grid Connected Residential load	1,525	25.02	25.02	25.02	0.44	0.44	50.21

What you should do if you are a victim of a crime or if you have information about a crime, contact your local police department or the FBI.

2025 RELEASE UNDER E.O. 14176

Sl. No.	TAKEOFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Cents / M	FIXED CHARGES Rs. / Cents / M	VARIABLE CHARGES Rs. / M <sup>2</sup>	PTA RATE Rs. / M <sup>2</sup>	Total Variable charges Rs. / M <sup>2</sup> B+C-D
a) General Excavation		1,000	0	28.47	9.64	30.11
b) Pre-Drilled Bored Excavation Bored Trench		1,000	0	21.83	9.64	31.30

10.1.1.2. **Mean monthly rainfall** – the average monthly rainfall over 30 years of record and a total rainfall for the month which was higher.

INDUSTRIAL SUPPLY, TARIFFS, AND TRADE POLICIES

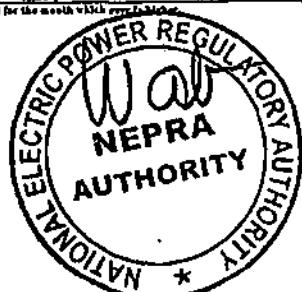
Sl. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Unit / M	FIXED CHARGES Rs. / Unit / M	VARIABLE CHARGES		PTA 2023		Total Variable Charges	
				Rs./Unit	Rs./Unit	Rs./Unit	Rs./Unit	Rs./Unit	Rs./Unit
31	Vppc 33 kV (4,400/330 Volt)	1,000	-	0	36.51	0.54	27.05		
32 (i)	exceeding 33-500 kV (4,400 Volt)	-	1,250	36.03	0.54	35.39			
32 (ii)	Vppc 33 kV	-	-	21.54	0.54	44.18	54.76		
33 (i)	Up to 33 kV	1,000	-	39.48	0.54	0.54	0.54	44.18	54.76
33 (ii)	exceeding 33-500 kV (4,400 Volt)	-	1,250	39.38	0.54	0.54	0.54	21.90	29.93
34	Vppc All Loads vppc 1,0000 kV (Up to 33 kV)	-	1,250	39.38	0.54	0.54	0.54	40.64	53.44
34	Vppc All Loads vppc 55,122 kV & above	-	1,250	39.38	0.54	0.54	0.54	31.03	38.97
35	Vppc 33 kV (4,400 Volt)	-	1,250	34.60	0.54	0.54	0.54	35.14	

Wine Blend Change was available to 100% of the customers that had been one of the 25% of customers added to the blend for the month which gave it higher

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Ref. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES		VARIABLE CHARGES		PVA 2024		Total Variable Charge Ref. No. 2024/25
		Rs. / Unit / M	Rs. / Unit / M	Rs. / kWh	Rs. / kWh	Rs. / kWh	Rs. / kWh	
G-1	For supply at 400/230 Volts							
G-1a	Electric load less than 5 kW	3,000			13.00		0.64	19.40
G-1b	Electric load 5 kW up to 500 kW				16.43		0.64	19.09
G-1c	Electric load 500 kW up to 11.25 kW up to 2500 kW and including 5000 kW				19.29		0.64	19.79
G-1d	For supply at 440 V above and including load above 5000 kW				27.26		0.64	17.60
For supply at 400/230 Volts & 3 kW & up to 500 kW								
G-2d	Time of Day			Peak	Off-Peak	Peak	Off-Peak	
G-2d1	For supply at 400/230 Volts & 3 kW & up to 500 kW			13.00	13.00	0.64	0.64	24.31
G-2d2	For supply at 440 V up to 2500 kW and including 5000 kW			16.43	17.03	0.64	0.51	33.13
G-2d3	For supply at 440 V above and including load above 5000 kW			27.26	27.26	0.64	0.64	37.83
For supply at 400/230 Volts & 11.25 kW up to 2500 kW and including 5000 kW								
G-2d4	Peak			27.26	24.63	0.64	0.64	33.13
G-2d5	Off-Peak			13.00	13.00	0.64	0.64	24.31

Where Plaintiff and his wife are unable to pay the same, the same shall be settled based on 25% of the Fair Market Value of the property which were in Plaintiff's name.



SCHEDULED & ELECTRICITY TARIFFS FOR MILITARY ELECTRIC POWER COMPANY (MEPCO) S & AGRICULTURE TARIFFS							
Sl. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES		VARIABLE CHARGES		PTA 2023	
		Rs./Cir. / M	Rs./kWh / M	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh
D-1(a)	SCAMP less than 8 kW	-	-	12.43	-	0.54	22.16
D-2(a)	Agricultural Take Wells	-	400	10.13	-	0.54	20.46
D-3(b)	SCAMP 8 kW & above	-	400	15.13	17.44	0.54	30.25
D-3(c)	Agricultural 8 kW & above	-	500	22.13	29.43	0.54	34.49
D-3(d)	SCAMP 8 kW & above	-	400	24.43	-	0.54	29.53

Under this tariff, there shall be minimum monthly charges Rs.2000/- per consumer per month, even if no energy is consumed. The customers having maximum load less than 5 kW may opt for TOS metering.

TEMPORARY SUPPLY/TARIFFS FOR 2023						
S.R. No.	TARIFF CATEGORY / PARTICULARS	FORED CHARGES		POWER CHARGES		TOTAL VARIABLE CHARGE R.s. per unit
		Rs. / Giga W / M	Rs. / KW / M	Rs. / KW	Rs. / KW / M	
6-102	Residential Supply	8.000		35.15		35.15
6-103	Commercial Supply	8.000		34.29		34.29
6-104	Industrial Supply	8.000		41.65		41.65

**Note** **Twinkl Premium users will have the option to convert to Regular Twinkl and vice versa. This option can be exercised at the time of a new subscription or at the beginning of the season. Once exercised, the option remains in force for at least one year.**

PUBLIC LIGHTING (110V/220V)						
Sl. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGE	PER UNIT CHARGE	variable charge	RTA 2015	Total Variable Charge
		Rs./Unit / M	Rs./kWh / M	Rs./kWh	Rs./Unit	Rs./kWh
1	Residential	0.500	0.000	0.000	0.000	0.000

Sl. No.	TARIFF CATEGORY / FUEL TYPE/ YEARS	FIXED CHARGES Rs./kWhr./M	FIELD CHARGES Rs./kWhr./M	VARIABLE CHARGES Rs./kWhr.	PTA 2003 Rs./kWhr.	TOTAL Variable Charge Rs./kWhr.
1	Commercial/Residential (Electricity) (1999-2000)	8000.00	0	32.00	0	32.00

Sl. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rupees / M.	FIXED CHARGES Rupees / M.	VARIABLE CHARGES Rupees Kg / Km	PVA 2020 Rupees Kg / Km	Total Variable Charge Rupees Kg - D
		A	B			
1	Revenue Tariff	2,000.00	0	38.63	0.010	38.63



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	1,664	1,985	2,143	2,135	2,135	1,992	1,571	1,038	902	18,427
Fuel Cost Component	10,3955	6,7337	7,9952	8,2698	8,4351	7,7138	7,0929	7,0598	7,5586	7,8696	6,2441	8,0165	77,7038
Variable OEM	0,3912	0,2967	0,3527	0,3719	0,4775	0,4590	0,4029	0,3880	0,3916	0,4249	0,3019	0,3211	0,3935
Capacity	20,7816	25,5958	39,8383	16,1204	13,3928	12,3934	12,9235	12,1059	13,5367	16,6733	23,0583	20,4708	15,7459
UsdC	2,2864	2,5547	2,2160	2,0547	1,8854	1,8143	1,6850	1,8853	2,0921	2,4039	2,2461	1,9838	1,9838
Total PPF in Rs. / kWh	33,8345	35,1010	30,4051	26,7563	22,3053	22,1340	21,2389	23,3220	27,0599	31,0045	31,0045	25,8500	25,8500
Fuel Cost Component	9,463	5,209	9,045	13,551	16,826	16,529	15,166	15,235	14,857	12,561	6,492	7,235	342,223
Variable OEM	356	230	359	611	953	941	851	849	786	667	313	290	7,251
Capacity	18,919	19,798	22,452	26,698	26,527	26,358	27,415	26,390	27,053	26,190	29,995	18,429	290,152
UsdC	2,053	1,576	2,510	3,327	3,763	3,088	3,855	3,643	3,753	3,285	2,435	2,027	35,605
Total PPF in Rs. Min	30,901	27,213	34,409	44,947	48,069	47,795	47,327	46,518	45,450	47,505	33,225	37,581	475,361

It is clarified that PPF 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

J. M. Ali



**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 MEPCO 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-

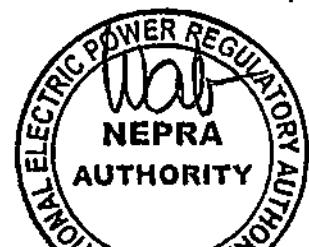
\* To be duly adjusted in case of day light time saving

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%.

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## 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



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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.

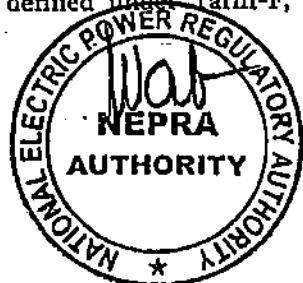
#### **B INDUSTRIAL SUPPLY**

##### **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**

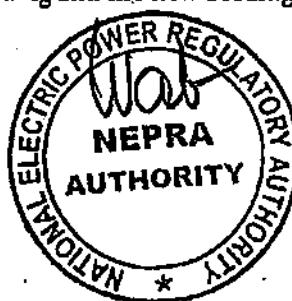
1. This tariff is applicable for supply to Industries having sanctioned load upto 25 kW.
2. Consumers having sanctioned load upto 25 kW shall be billed on single-part kWh rate.
3. Consumers under tariff B-1 having sanctioned load of less than 5 kW shall be billed under a Single-Part kWh rate. However, 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

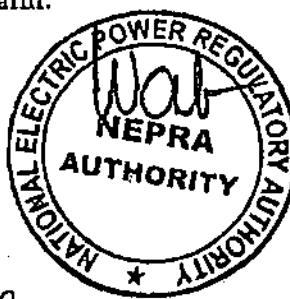
"Agricultural Supply" means the supply for Lift Irrigation Pumps and/or pumps installed on Tube-wells intended solely for irrigation or reclamation of agricultural land or forests, and include supply for lighting of the tube-well chamber.

##### 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.



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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

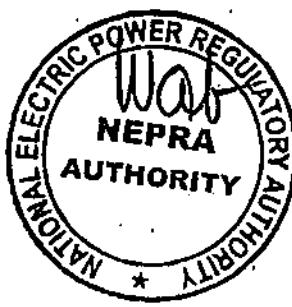
1. This tariff shall apply to Residential and Commercial consumers for temporary supply.
2. Ordinarily the supply under this Tariff shall not be given by the Company without first obtaining security equal to the anticipated supply charges and other miscellaneous charges for the period of temporary supply.

#### 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.



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

Annex VI (Valuation of PPA)		ANNEX	MEMO
PPA Details			
PPA Name		3100	
PPA Date		3101	
Valuation of Instrumental units		3102	
PPA Value		3103	
PPA - Rs.1000		3104	
ICA Import - Rs. 100		3105	
ICA Export		3106	
PPA LVA		3107	
Power exports 200 x April		3108	
Units		3109	
PPA Details		3110	
PPA Name		3111	
PPA Date		3112	
Valuation of Instrumental units		3113	
PPA Value		3114	
PPA - Rs.1000		3115	
ICA Import - Rs. 100		3116	
ICA Export		3117	
PPA LVA		3118	
Power exports 200 x April		3119	
Units		3120	
PPA Details		3121	
PPA Name		3122	
PPA Date		3123	
Valuation of Instrumental units		3124	
PPA Value		3125	
PPA - Rs.1000		3126	
ICA Import - Rs. 100		3127	
ICA Export		3128	
PPA LVA		3129	
Power exports 200 x April		3130	
Units		3131	
PPA Details		3132	
PPA Name		3133	
PPA Date		3134	
Valuation of Instrumental units		3135	
PPA Value		3136	
PPA - Rs.1000		3137	
ICA Import - Rs. 100		3138	
ICA Export		3139	
PPA LVA		3140	
Power exports 200 x April		3141	
Units		3142	
PPA Details		3143	
PPA Name		3144	
PPA Date		3145	
Valuation of Instrumental units		3146	
PPA Value		3147	
PPA - Rs.1000		3148	
ICA Import - Rs. 100		3149	
ICA Export		3150	
PPA LVA		3151	
Power exports 200 x April		3152	
Units		3153	
PPA Details		3154	
PPA Name		3155	
PPA Date		3156	
Valuation of Instrumental units		3157	
PPA Value		3158	
PPA - Rs.1000		3159	
ICA Import - Rs. 100		3160	
ICA Export		3161	
PPA LVA		3162	
Power exports 200 x April		3163	
Units		3164	
PPA Details		3165	
PPA Name		3166	
PPA Date		3167	
Valuation of Instrumental units		3168	
PPA Value		3169	
PPA - Rs.1000		3170	
ICA Import - Rs. 100		3171	
ICA Export		3172	
PPA LVA		3173	
Power exports 200 x April		3174	
Units		3175	
PPA Details		3176	
PPA Name		3177	
PPA Date		3178	
Valuation of Instrumental units		3179	
PPA Value		3180	
PPA - Rs.1000		3181	
ICA Import - Rs. 100		3182	
ICA Export		3183	
PPA LVA		3184	
Power exports 200 x April		3185	
Units		3186	
PPA Details		3187	
PPA Name		3188	
PPA Date		3189	
Valuation of Instrumental units		3190	
PPA Value		3191	
PPA - Rs.1000		3192	
ICA Import - Rs. 100		3193	
ICA Export		3194	
PPA LVA		3195	
Power exports 200 x April		3196	
Units		3197	
PPA Details		3198	
PPA Name		3199	
PPA Date		3200	
Valuation of Instrumental units		3201	
PPA Value		3202	
PPA - Rs.1000		3203	
ICA Import - Rs. 100		3204	
ICA Export		3205	
PPA LVA		3206	
Power exports 200 x April		3207	
Units		3208	
PPA Details		3209	
PPA Name		3210	
PPA Date		3211	
Valuation of Instrumental units		3212	
PPA Value		3213	
PPA - Rs.1000		3214	
ICA Import - Rs. 100		3215	
ICA Export		3216	
PPA LVA		3217	
Power exports 200 x April		3218	
Units		3219	
PPA Details		3220	
PPA Name		3221	
PPA Date		3222	
Valuation of Instrumental units		3223	
PPA Value		3224	
PPA - Rs.1000		3225	
ICA Import - Rs. 100		3226	
ICA Export		3227	
PPA LVA		3228	
Power exports 200 x April		3229	
Units		3230	
PPA Details		3231	
PPA Name		3232	
PPA Date		3233	
Valuation of Instrumental units		3234	
PPA Value		3235	
PPA - Rs.1000		3236	
ICA Import - Rs. 100		3237	
ICA Export		3238	
PPA LVA		3239	
Power exports 200 x April		3240	
Units		3241	
PPA Details		3242	
PPA Name		3243	
PPA Date		3244	
Valuation of Instrumental units		3245	
PPA Value		3246	
PPA - Rs.1000		3247	
ICA Import - Rs. 100		3248	
ICA Export		3249	
PPA LVA		3250	
Power exports 200 x April		3251	
Units		3252	
PPA Details		3253	
PPA Name		3254	
PPA Date		3255	
Valuation of Instrumental units		3256	
PPA Value		3257	
PPA - Rs.1000		3258	
ICA Import - Rs. 100		3259	
ICA Export		3260	
PPA LVA		3261	
Power exports 200 x April		3262	
Units		3263	
PPA Details		3264	
PPA Name		3265	
PPA Date		3266	
Valuation of Instrumental units		3267	
PPA Value		3268	
PPA - Rs.1000		3269	
ICA Import - Rs. 100		3270	
ICA Export		3271	
PPA LVA		3272	
Power exports 200 x April		3273	
Units		3274	
PPA Details		3275	
PPA Name		3276	
PPA Date		3277	
Valuation of Instrumental units		3278	
PPA Value		3279	
PPA - Rs.1000		3280	
ICA Import - Rs. 100		3281	
ICA Export		3282	
PPA LVA		3283	
Power exports 200 x April		3284	
Units		3285	
PPA Details		3286	
PPA Name		3287	
PPA Date		3288	
Valuation of Instrumental units		3289	
PPA Value		3290	
PPA - Rs.1000		3291	
ICA Import - Rs. 100		3292	
ICA Export		3293	
PPA LVA		3294	
Power exports 200 x April		3295	
Units		3296	
PPA Details		3297	
PPA Name		3298	
PPA Date		3299	
Valuation of Instrumental units		3300	
PPA Value		3301	
PPA - Rs.1000		3302	
ICA Import - Rs. 100		3303	
ICA Export		3304	
PPA LVA		3305	
Power exports 200 x April		3306	
Units		3307	
PPA Details		3308	
PPA Name		3309	
PPA Date		3310	
Valuation of Instrumental units		3311	
PPA Value		3312	
PPA - Rs.1000		3313	
ICA Import - Rs. 100		3314	
ICA Export		3315	
PPA LVA		3316	
Power exports 200 x April		3317	
Units		3318	
PPA Details		3319	
PPA Name		3320	
PPA Date		3321	
Valuation of Instrumental units		3322	
PPA Value		3323	
PPA - Rs.1000		3324	
ICA Import - Rs. 100		3325	
ICA Export		3326	
PPA LVA		3327	
Power exports 200 x April		3328	
Units		3329	
PPA Details		3330	
PPA Name		3331	
PPA Date		3332	
Valuation of Instrumental units		3333	
PPA Value		3334	
PPA - Rs.1000		3335	
ICA Import - Rs. 100		3336	
ICA Export		3337	
PPA LVA		3338	
Power exports 200 x April		3339	
Units		3340	
PPA Details		3341	
PPA Name		3342	
PPA Date		3343	
Valuation of Instrumental units		3344	
PPA Value		3345	
PPA - Rs.1000		3346	
ICA Import - Rs. 100		3347	
ICA Export		3348	
PPA LVA		3349	
Power exports 200 x April		3350	
Units		3351	
PPA Details		3352	
PPA Name		3353	
PPA Date		3354	
Valuation of Instrumental units		3355	
PPA Value		3356	
PPA - Rs.1000		3357	
ICA Import - Rs. 100		3358	
ICA Export		3359	
PPA LVA		3360	
Power exports 200 x April		3361	
Units		3362	
PPA Details		3363	
PPA Name		3364	
PPA Date		3365	
Valuation of Instrumental units		3366	
PPA Value		3367	
PPA - Rs.1000		3368	
ICA Import - Rs. 100		3369	
ICA Export		3370	
PPA LVA		3371	
Power exports 200 x April		3372	
Units		3373	
PPA Details		3374	
PPA Name		3375	
PPA Date		3376	
Valuation of Instrumental units		3377	
PPA Value		3378	
PPA - Rs.1000		3379	
ICA Import - Rs. 100		3380	
ICA Export		3381	
PPA LVA		3382	
Power exports 200 x April		3383	
Units		3384	
PPA Details		3385	
PPA Name		3386	
PPA Date		3387	
Valuation of Instrumental units		3388	
PPA Value		3389	
PPA - Rs.1000		3390	
ICA Import - Rs. 100		3391	
ICA Export		3392	
PPA LVA		3393	
Power exports 200 x April		3394	
Units		3395	
PPA Details		3396	
PPA Name		3397	
PPA Date		3398	
Valuation of Instrumental units		3399	
PPA Value		3400	
PPA - Rs.1000		3401	
ICA Import - Rs. 100		3402	
ICA Export		3403	
PPA LVA		3404	
Power exports 200 x April		3405	
Units		3406	
PPA Details		3407	
PPA Name		3408	
PPA Date		3409	
Valuation of Instrumental units		3410	
PPA Value		3411	
PPA - Rs.1000		3412	
ICA Import - Rs. 100		3413	
ICA Export		3414	
PPA LVA		3415	
Power exports 200 x April		3416	
Units		3417	
PPA Details		3418	
PPA Name		3419	
PPA Date		3420	
Valuation of Instrumental units		3421	
PPA Value		3422	
PPA - Rs.1000		3423	
ICA Import - Rs. 100		3424	
ICA Export		3425	
PPA LVA		3426	
Power exports 200 x April		3427	
Units		3428	
PPA Details		3429	
PPA Name		3430	
PPA Date		3431	
Valuation of Instrumental units		3432	
PPA Value		3433	
PPA - Rs.1000		3434	
ICA Import - Rs. 100		3435	
ICA Export		3436	
PPA LVA		3437	
Power exports 200 x April		3438	
Units		3439	
PPA Details		3440	
PPA Name		3441	
PPA Date		3442	</td

ANNEX-VI

Annual Statement of PVA		CASH FLOW STATEMENT	
Particulars		1.1.1.1	1.1.1.1
TED Losses		1.1.1.2	1.1.1.2
Other other Losses		1.1.1.3	1.1.1.3
Value of Instrumental units		1.1.1.4	1.1.1.4
DP Losses		1.1.1.5	1.1.1.5
ICA - Rs. 1,975		1.1.1.6	1.1.1.6
ICA Import - Rs. 300		1.1.1.7	1.1.1.7
ICA Loss		1.1.1.8	1.1.1.8
Prop. & Inv.		1.1.1.9	1.1.1.9
Provis. ratio 300 x Avg		1.1.1.10	1.1.1.10
Other		1.1.1.11	1.1.1.11
		1.1.1.12	1.1.1.12
Particulars		1.1.2.1	1.1.2.1
TED Losses		1.1.2.2	1.1.2.2
Other other Losses		1.1.2.3	1.1.2.3
Value of Instrumental units		1.1.2.4	1.1.2.4
DP Losses		1.1.2.5	1.1.2.5
ICA - Rs. 1,975		1.1.2.6	1.1.2.6
ICA Import - Rs. 300		1.1.2.7	1.1.2.7
ICA Loss		1.1.2.8	1.1.2.8
Prop. & Inv.		1.1.2.9	1.1.2.9
Provis. ratio 300 x Avg		1.1.2.10	1.1.2.10
Other		1.1.2.11	1.1.2.11
		1.1.2.12	1.1.2.12
Particulars		1.1.3.1	1.1.3.1
TED Losses		1.1.3.2	1.1.3.2
Other other Losses		1.1.3.3	1.1.3.3
Value of Instrumental units		1.1.3.4	1.1.3.4
DP Losses		1.1.3.5	1.1.3.5
ICA - Rs. 1,975		1.1.3.6	1.1.3.6
ICA Import - Rs. 300		1.1.3.7	1.1.3.7
ICA Loss		1.1.3.8	1.1.3.8
Prop. & Inv.		1.1.3.9	1.1.3.9
Provis. ratio 300 x Avg		1.1.3.10	1.1.3.10
Other		1.1.3.11	1.1.3.11
		1.1.3.12	1.1.3.12
Particulars		1.1.4.1	1.1.4.1
TED Losses		1.1.4.2	1.1.4.2
Other other Losses		1.1.4.3	1.1.4.3
Value of Instrumental units		1.1.4.4	1.1.4.4
DP Losses		1.1.4.5	1.1.4.5
ICA - Rs. 1,975		1.1.4.6	1.1.4.6
ICA Import - Rs. 300		1.1.4.7	1.1.4.7
ICA Loss		1.1.4.8	1.1.4.8
Prop. & Inv.		1.1.4.9	1.1.4.9
Provis. ratio 300 x Avg		1.1.4.10	1.1.4.10
Other		1.1.4.11	1.1.4.11
		1.1.4.12	1.1.4.12
Particulars		1.1.5.1	1.1.5.1
TED Losses		1.1.5.2	1.1.5.2
Other other Losses		1.1.5.3	1.1.5.3
Value of Instrumental units		1.1.5.4	1.1.5.4
DP Losses		1.1.5.5	1.1.5.5
ICA - Rs. 1,975		1.1.5.6	1.1.5.6
ICA Import - Rs. 300		1.1.5.7	1.1.5.7
ICA Loss		1.1.5.8	1.1.5.8
Prop. & Inv.		1.1.5.9	1.1.5.9
Provis. ratio 300 x Avg		1.1.5.10	1.1.5.10
Other		1.1.5.11	1.1.5.11
		1.1.5.12	1.1.5.12

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ANNEX - VI

Annual Return of PTA		Period	Period
1001 Sales	1002	1003	1004
1004 Other Sales	1005	1006	1007
1007 Net of Instrumental sales	1008	1009	1010
1011 Sales	1012	1013	1014
1014 - Rs. 1000	1015	1016	1017
1018 Import - Rs. 1000	1019	1020	1021
1022 Sale	1023	1024	1025
1026 Purchase - Rs. 1000 - April	1027	1028	1029
1029 Date	1030	1031	1032
1033	1034	1035	1036
1037	1038	1039	1040
1041	1042	1043	1044
1046	1047	1048	1049
1051	1052	1053	1054
1055	1056	1057	1058
1059	1060	1061	1062
1063	1064	1065	1066
1068	1069	1070	1071
1074	1075	1076	1077
1078	1079	1080	1081
1083	1084	1085	1086
1089	1090	1091	1092
1095	1096	1097	1098
1101	1102	1103	1104
1105	1106	1107	1108
1110	1111	1112	1113
1115	1116	1117	1118
1120	1121	1122	1123
1125	1126	1127	1128
1130	1131	1132	1133
1135	1136	1137	1138
1140	1141	1142	1143
1145	1146	1147	1148
1150	1151	1152	1153
1155	1156	1157	1158
1160	1161	1162	1163
1165	1166	1167	1168
1170	1171	1172	1173
1175	1176	1177	1178
1180	1181	1182	1183
1185	1186	1187	1188
1190	1191	1192	1193
1195	1196	1197	1198
1200	1201	1202	1203
1205	1206	1207	1208
1210	1211	1212	1213
1215	1216	1217	1218
1220	1221	1222	1223
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1365	1366	1367	1368
1370	1371	1372	1373
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1465	1466	1467	1468
1470	1471	1472	1473
1475	1476	1477	1478
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2160	2161	2162	2163
2165	2166	2167	2168
2170	2171	2172	2173
2175	2176	2177	2178
2180	2181	2182	2183
2185	2186	2187	2188
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2200	2201	2202	2203
2205	2206	2207	2208
2210	2211	2212	2213
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2220	2221	2222	2223
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2235	2236	2237	2238
2240	2241	2242	2243
2245	2246	2247	2248
2250	2251	2252	2253
2255	2256	2257	2258
2260	2261	2262	2263
2265	2266	2267	2268
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2320	2321	2322	2323
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## ANNEX-V



Math. 9

## Annex - VI

Math. I





# National Electric Power Regulatory Authority

## Islamic Republic of Pakistan

Registrar

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-624&TRF-625/437-44

January 07, 2026

Subject: Decision of the Authority in the matter of Motion for Leave for Review (MLR) filed by Multan Electric Power Company (MEPCO) against decision of the Authority's dated 14.06.2024 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

(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-Quaid-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, Multan Electric Power Co. Ltd. , MEPCO Headquarter, Khanewal Road, Multan
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 Multan Electric Power Company (MEPCO) against decision of the Authority's dated 14.06.2024 (in the matter annual adjustment/ indexation of Tariff for the FY 2024-25)**

1. The Authority determined Multi Year Tariffs (MYT) of Multan Electric Power Company Limited (MEPCO) (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 MEPCO's annual adjustment / indexation for the FY 2024-25 vide decision dated 14.06.2024 (Impugned Decision).
2. The Petitioner being aggrieved with the Impugned 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. RORB for FY 2024-25
  - ii. Post Retirement Benefits for FY 2024-25
  - iii. Differential amount of Post Retirement Benefits for FY 2022-23 under PYA
  - iv. Sales Mix variance for FY 2022-23
  - v. Differential amount of quarterly tariff adjustment on account of incremental units from Nov-20 to Jun-21
4. The Petitioner's submission on each issue is as under;

**RORB for FY 2024-25**

✓ The Authority has allowed less RoRB for the FY 2024-25 i.e. Rs.3,689 million, by allowing RoRB of Rs.12,852 million, instead of Rs.16,541 million for FY 2024-25. The Authority has worked out Average RAB for the FY 2024-25 as under;

Description	FY 2023-24	FY 2024-25
Fixed Assets O/B	186,409	188,137
Addition	9,559	10,735
Fixed Assets C/B	195,968	198,872
Depreciation	74,839	81,447
Net Fixed Assets	121,128	117,424
Capital WIP C/B	25,173	28,270
Fixed Assets Inc. WIP	146,302	145,694
Less Finance cost Capitalized	-	-
Less: Deferred Credits	102,930	67,478
<b>Total</b>	<b>43,371</b>	<b>78,216</b>
Revised – RAB		60,794
WACC		21.14%
RORB		12,852



*J. Murtuza*



- ✓ The number of Deferred Credits has been taken as Rs.102,930 million in FY 2023-24 (increase of Rs. 25,167 million from FY 2022-23 of Rs. 77,763 million), which has reduced RAB for FY 2023-24 as Rs 43,371 million. On the other side, Opening Balance of Gross Fixed Assets for FY 2024-25 has been taken as Rs. 188,137 million instead of Rs 195,968 million i.e. Closing Balance of FY 2023-24.
- ✓ The Authority has reduced MEPCO's RAB on the premise that actual investment exceeds the allowed investment. MEPCO has already elaborated that Authority's decision regarding allowed investment confines to "Own Source" only. Total actual investment comprises both Consumer Finance & Own Source Investment. Abstract of actual investment for last 3 years (MYT Period) is tabulated hereunder;

Description	FY 2020-21	FY 2021-22	FY 2022-23	Mln. Rs.
Investment (Consumer Finance)	6,391	7,577	9,557	
Investment (Own Source)	4,576	4,424	7,217	
<b>Total Actual Investment</b>	<b>10,967</b>	<b>12,001</b>	<b>16,774</b>	

- ✓ Comparison of allowed investment and actual investment for last 3 years is tabulated below;

Description	FY 2020-21	FY 2021-22	FY 2022-23	Mln. Rs.
Investment Allowed (Own Source)	8,369	13,602	14,734	
Actual Investment (Own Source)	4,576	4,424	7,217	
(Excess)/Less Investment	3,793	9,178	7,517	

- ✓ In view of above, the Petitioner requested the Authority to reconsider its earlier decision and not to reduce RAB in RORB True-up Calculations on the pretext of excess investment than allowed. After accounting for the above stated factors i.e. rationalizing the amount of Deferred Credit for FY 2023-24, correct opening balance of Gross Fixed Assets for FY 2024-25 and adding back the amount of impugned excess investment, Revised RORB Calculation is given hereunder;

Description	FY 2023-24	FY 2024-25	Mln. Rs.
Fixed Assets O/B	186,409	195,968	
Addition	9,559	10,735	
Fixed Assets C/B	195,968	206,702	
Depreciation	74,839	81,447	
Net Fixed Assets	121,128	125,255	
Capital WIP C/B	29,811	32,908	
Fixed Assets Inc. WIP	146,302	158,163	
Less Finance cost Capitalized	-	-	
Less: Deferred Credits	80,496	67,478	
<b>Total</b>	<b>65,806</b>	<b>90,685</b>	
Revised – RAB		78,245	
WACC		21.14%	
<b>Revised RORB</b>		<b>16,541</b>	





- ✓ The Petitioner during hearing of the MLR, however, revised its request upward to Rs.4,395 million, instead of earlier requested amount of Rs.3,689 million.

Less allowed Post Retirement Benefits (PRB) for FY 2024-25

- ✓ MEPCO requested Post Retirement Benefit of Rs. 24,226 million for the FY 2024-25, based on Actuarial Report FY 2022-23, (projection of Post Retirement Benefit for FY 2023-24). As per latest available projection of Actuarial Valuation Report, PRB projection for FY 2023-24 was requested for FY 2024-25. However, Authority allowed Post Retirement Benefit of Rs. 18,328 million for FY 2024-25 based on the latest Audited Accounts FY 2022-23.
- ✓ The MYT Determination provides that it would be allowed based on the Actuarial Valuation Report for the Year for which the assessment is being made or as per the latest available Audited Financial Statement. In line with assessment criteria of PRB as contained in the MYT Determination, the Petitioner requested the Authority to reconsider its earlier decision and allow Rs 24,226 million PRB provision to MEPCO for FY 2024-25 based on latest Projection of Actuarial Valuation Report.

Sales mix variance FY 2022-23

- ✓ The Authority has not allowed Sales Mix variance of Rs.4,898 million for FY 2022-23 on the premise that MEPCO has not submitted the reconciled data of sales mix variance with its reported revenue as per audited financial statement of the respective years. In compliance with NEPRA directions, MEPCO has already submitted the reconciled data of sales mix variance with its reported revenue as per audited financial statement of the respective years vide letter dated 29.03.2024.
- ✓ The Authority is requested to allow the impact of under recovery of Rs.4,898 million on account of Sales Mix Variance for FY 2022-23 being legitimate cost, as MEPCO has already complied with the directions of Authority.

Differential amount of Post Retirement Benefits for FY 2022-23

- ✓ The Authority in its MYT Determination has allowed Post Retirement Benefits of Rs.10,604 million for FY 2022-23, with the assessment criteria that PRB would be allowed on the Actuarial Valuation Report for the year for which assessment is being made or as per latest available Audited Financial Statements. However, as per Audited Accounts for FY 2022-23 based on Actuarial Valuation Report for FY 2022-23, Post Retirement Benefits Provision for FY 2022-23 is Rs 18,328 million. In line with assessment criteria of PRB as contained in MYT Determination, the Petitioner requested the Authority to reconsider its earlier decision and allow Rs 18,328 million PRB Provision to MEPCO for FY 2022-23 based on Audited Financial Statement for FY 2022-23.
- ✓ The Petitioner requested the Authority to allow the differential amount Rs 7,724 million on account of PRB Provision for FY 2022-23 under PYA.

9 NPK





**Differential amount of Rs.1,646 million for QTA on account of ISP incremental units for the period Nov-20 to Jun-21 not allowed**

- ✓ The Petitioner submitted a claim amounting to Rs. 1,646 million on account of differential amount of QTA after netting off incremental units of ISP relating to the period Nov-2020 to June-2021. However, the Authority did not allow the same with the remarks that the impact of QTA after netting off incremental units of ISP relating to the period Nov-2020 to June-2021 has already been given in Sales Mix Variance for FY 2020-21.
- ✓ The subject issue was deliberated in the meeting dated 06.05.2024 wherein NEPRA team shared its Sales Mix Variance details to support this assertion. Upon review of NEPRA Sales Mix Variance working for FY 2020-21, it was ascertained that the Determined Revenue against ISP incremental Units has been worked out @ Rs.12.96 per kWh, which tantamount that QTA impact of ISP incremental units has not been accounted for:

Mln. Rs.	
Sales Mix Variance	FY 2020-21
MEPCO Working (ISP Unit Sold Determined Revenue @ Avg Sale Rate)	2,157
NEPRA Determined Working (ISP Unit Sold Determined Revenue @ 12.96)	768
Difference	1,389

- ✓ The Authority is requested to reconsider its earlier decision and allow Rs.1,646 million on account of differential amount of QTA after netting off incremental units of ISP relating to the period Nov-2020 to June-2021 as PYA, based on the fact that impact of same is not accounted for in the Sales Mix Variance for FY 2020-21.

5. The Petitioner accordingly requested the Authority to review the Impugned Decision and allow the following:-

- i. RORB of Rs.16,541 million for FY 2024-25 instead of already allowed RORB of Rs.12,852 million i.e. differential amount of Rs.3,689 million).
- ii. Rs.24,226 million as PRB Provision for FY 2024-25, based on latest Projection of Actuarial Valuation Report.
- iii. Impact of under recovery of Rs.4,898 million on account of Sales Mix Variance for the FY 2022-23.
- iv. Differential amount of Rs.7,724 million on account of PRB Provision for FY 2022-23 under PYA.
- v. Rs.1,646 million on account of differential amount of QTA after netting off incremental units of ISP relating to the period Nov-2020 to June-2021 as PYA.

6. The Authority has analyzed the submissions of the Petitioner and the workings shared by the Petitioner under each head.

✓ *Matta*





7. Regarding the issue of RoRB for the FY 2024-25, the Authority observed that RoRB of the Petitioner for the FY 2024-25 has been reworked and the impact thereof has made part of the Petitioner PYA, while determining the tariff for the FY 2025-26.
8. Regarding assessment of post-retirement benefits for the FY 2024-25, the determination provides that it 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. At the time of assessment of revenue requirement for the FY 2024-25, the latest audited financial statements of the Petitioner for the FY 2022-23 were available, and accordingly provision for post-retirement benefits of Rs. 18,328 million, as per the audited accounts was allowed to the Petitioner. In view thereof, the Authority does not see any justification to review the Impugned Decision.
9. On the point of sales mix variance for the FY 2022-23, the Authority noted that the Petitioner has already been allowed sales mix variance of Rs.4,898 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.
10. Regarding assessment of post-retirement benefits for the FY 2022-23, the provision for the FY 2022-23 was allowed at that time as per the request of the Petitioner. Therefore, the Authority does not see any justification to review the Impugned Decision at this point in time.
11. Regarding the impact on account of differential amount of QTA after netting off incremental units of ISP relating to the period Nov-2020 to June-2021, the Authority noted that this impact has already been considered while working out the sales mix of the Petitioner for the FY 2020-21, thus, no further processing is required. This matter has also been discussed in the 1<sup>st</sup> quarterly adjustment for the FY 2021-22 decision dated 09.05.2022. Therefore, the Authority does not see any justification to review the Impugned Decision to this effect.
12. 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

Wasem Mukhtar  
Wasem Mukhtar  
Chairman





# National Electric Power Regulatory Authority

## Islamic Republic of Pakistan

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

January 07, 2026

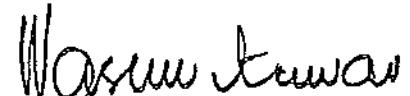
Subject: Decision of the Authority in the matter of request filed by Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) for Approval of Power Purchase Price Forecast for the CY 2026 i.e. January 2026 to December 2026

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





*Decision of the Authority in the matter of  
Power Purchase Price Forecast for CY 2026*

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:

- What is the basis of demand forecast for DISCOs under different scenarios?
- What is basis for set of assumptions considered for projecting power purchase prices?
- 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?
- 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

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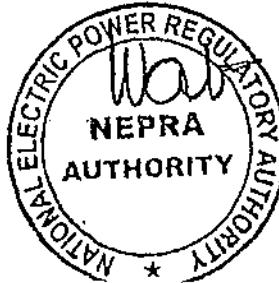
19.3. The demand forecast for DISCOs has been developed based on macroeconomic projections and historical electricity consumption trends. Based on historical elasticity estimates and GDP projections by IMF, economic growth is expected to result in a corresponding increase in electricity demand, ranging 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:



*Mathi J*



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	Fuel Price Assumptions									
	Gas	Brent	Imp Coal	Imp Coal	Imp Coal	Thar Coal	RFO	Bagasse	HSD	
			Rs./MM BTU	\$/Barrel	\$/MTon					
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	5209	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:

Parameter	Scenario-I	Scenario-II	Scenario-III	Scenario-IV	Scenario-V
Sold to DISCOS	GWh	125,822	125,822	127,815	125,822
Fuel Cost	Min Rs	999,469	1,024,504	1,023,006	1,031,652
	Rs./kWh	7.94	8.14	8.00	8.20
Variable O&M	Min Rs	50,106	51,001	51,245	50,106
	Rs./kWh	0.40	0.41	0.40	0.40
Capacity Charges	Min Rs	1,974,602	2,022,158	1,974,602	1,974,602
	Rs./kWh	15.69	16.07	15.45	15.69
Power Purchase Price (Exc. Trans)	Min Rs	3,024,177	3,097,663	3,048,853	3,056,360
	Rs./kWh	24.04	24.62	23.85	24.29
Transmission + MOF Charges	Rs./kWh	1.91	1.91	1.83	1.91
Total Power Price	Rs./kWh	25.95	26.53	25.73	26.20
					25.89



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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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*Decision of the Authority in the matter of  
Power Purchase Price Forecast for CY 2026*

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	MWh													
	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Average	
MWH	<b>FESCO</b>	3,070	2,810	2,816	3,423	3,873	3,814	3,744	3,824	3,463	3,524	2,731	3,152	3,377
	<b>GEPCO</b>	2,077	2,058	1,913	2,705	3,114	3,730	3,544	3,518	3,367	2,795	2,823	2,076	2,731
	<b>HESCO</b>	1,354	1,216	1,652	1,545	2,092	1,592	1,654	1,503	1,715	1,761	3,512	1,415	1,503
	<b>SEPCO</b>	566	513	951	1,179	1,091	1,202	1,243	1,162	1,145	924	229	543	947
	<b>IESCO</b>	2,740	1,771	1,671	2,352	2,821	3,142	2,970	2,795	2,745	2,138	1,645	2,201	2,379
	<b>LESCO</b>	4,922	3,458	4,417	5,847	6,745	6,267	6,231	6,384	6,235	5,492	4,319	4,224	5,102
	<b>MEPCO</b>	2,812	2,723	3,418	4,651	5,184	5,316	5,351	5,039	5,170	4,527	3,428	2,793	4,709
	<b>PESCO</b>	2,181	1,317	2,482	3,901	2,018	2,618	2,573	2,476	2,702	2,566	1,910	2,195	2,263
	<b>TESCO</b>	641	638	657	595	550	591	492	509	543	553	526	648	585
	<b>HAZCO</b>	553	523	651	512	578	657	618	611	655	517	515	623	543
	<b>QESCO</b>	1,214	1,334	1,109	1,454	1,715	1,555	1,231	1,337	1,371	1,431	1,431	1,493	1,328
<b>Sub-Total</b>		<b>11,713</b>	<b>10,512</b>	<b>12,057</b>	<b>25,192</b>	<b>29,311</b>	<b>30,728</b>	<b>30,164</b>	<b>29,045</b>	<b>25,125</b>	<b>25,734</b>	<b>20,832</b>	<b>21,511</b>	<b>25,503</b>
<b>K-Electric</b>		<b>2,050</b>												
<b>Total</b>		<b>23,762</b>	<b>21,562</b>	<b>24,417</b>	<b>28,242</b>	<b>31,261</b>	<b>31,728</b>	<b>32,174</b>	<b>31,096</b>	<b>31,175</b>	<b>27,784</b>	<b>22,842</b>	<b>23,553</b>	<b>27,513</b>

Description	MWh of Report												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	<b>FESCO</b>	9,245	5,284	8,120	11,246	13,940	13,592	12,709	13,215	15,704	16,434	5,429	7,117	122,454
	<b>GEPCO</b>	7,385	3,922	5,511	8,093	10,405	11,002	10,154	9,813	9,582	7,591	4,203	5,557	53,258
	<b>HESCO</b>	2,587	1,574	2,793	4,112	5,101	4,695	4,854	4,162	3,831	3,936	2,205	2,100	41,332
	<b>SEPCO</b>	1,947	1,018	3,248	2,663	3,433	3,617	3,556	3,456	3,744	1,451	1,425	30,749	
	<b>IESCO</b>	9,658	6,469	5,474	7,640	10,241	11,231	10,191	9,692	9,250	7,260	4,450	6,793	96,151
	<b>LESCO</b>	16,181	8,811	12,577	12,546	22,591	21,101	20,327	20,842	19,750	16,854	9,640	12,013	188,251
	<b>MEPCO</b>	9,453	5,209	9,048	13,581	15,016	16,519	15,165	15,535	14,457	17,161	6,482	7,235	141,273
	<b>PESCO</b>	8,273	4,415	5,571	5,289	7,711	8,311	8,515	8,453	8,237	5,767	3,918	6,122	80,410
	<b>TESCO</b>	1,582	879	1,180	935	1,036	907	841	843	875	963	818	1,113	32,164
	<b>HAZCO</b>	2,612	1,407	1,743	1,659	2,641	2,431	2,647	2,715	2,345	1,800	1,250	1,915	28,106
<b>Sub-Total</b>		<b>72,909</b>	<b>39,745</b>	<b>57,592</b>	<b>76,416</b>	<b>97,109</b>	<b>97,422</b>	<b>90,551</b>	<b>90,867</b>	<b>85,778</b>	<b>73,031</b>	<b>42,538</b>	<b>54,158</b>	<b>89,202</b>
<b>K-Electric</b>		<b>2,877</b>	<b>4,912</b>	<b>7,710</b>	<b>7,843</b>	<b>9,035</b>	<b>9,137</b>	<b>8,871</b>	<b>8,930</b>	<b>9,121</b>	<b>8,490</b>	<b>6,651</b>	<b>6,333</b>	<b>94,335</b>
<b>Total</b>		<b>49,785</b>	<b>44,678</b>	<b>45,312</b>	<b>84,316</b>	<b>106,164</b>	<b>106,518</b>	<b>99,822</b>	<b>99,647</b>	<b>94,906</b>	<b>81,524</b>	<b>44,393</b>	<b>61,001</b>	<b>973,583</b>

Description	in Millions 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&G Component	<b>FESCO</b>	352	233	358	502	790	774	722	722	615	362	282	715	6,197
	<b>GEPCO</b>	278	176	214	365	569	616	577	538	503	410	202	213	4,719
	<b>HESCO</b>	101	78	144	145	283	262	259	227	201	213	107	64	2,151
	<b>SEPCO</b>	73	45	79	120	159	206	200	189	179	159	71	57	3,576
	<b>IESCO</b>	341	205	241	344	511	619	579	541	446	392	215	273	4,836
	<b>LESCO</b>	602	382	555	721	1,240	1,241	1,155	1,145	1,011	910	459	482	19,017
	<b>MEPCO</b>	256	230	393	651	813	921	861	849	760	667	313	220	2,251
	<b>PESCO</b>	311	196	243	265	433	473	454	462	350	308	193	265	4,070
	<b>TESCO</b>	60	39	52	45	59	52	48	46	45	52	41	48	515
	<b>HAZCO</b>	98	62	77	64	134	150	116	111	123	97	61	77	3,155
<b>Sub-Total</b>		<b>2,744</b>	<b>1,751</b>	<b>2,540</b>	<b>3,444</b>	<b>5,500</b>	<b>5,544</b>	<b>5,150</b>	<b>4,766</b>	<b>4,503</b>	<b>3,944</b>	<b>2,058</b>	<b>44,356</b>	
<b>K-Electric</b>		<b>296</b>	<b>217</b>	<b>341</b>	<b>353</b>	<b>512</b>	<b>520</b>	<b>519</b>	<b>491</b>	<b>473</b>	<b>458</b>	<b>292</b>	<b>290</b>	<b>7,119</b>
<b>Total</b>		<b>3,040</b>	<b>1,959</b>	<b>2,881</b>	<b>3,801</b>	<b>5,012</b>	<b>4,064</b>	<b>5,670</b>	<b>5,457</b>	<b>4,932</b>	<b>4,402</b>	<b>2,457</b>	<b>49,015</b>	

Description	in Millions 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	<b>FESCO</b>	29,491	23,670	18,656	19,345	19,817	19,928	19,142	20,337	18,155	20,387	19,453	20,793	246,847
	<b>GEPCO</b>	13,825	14,969	17,553	15,409	15,934	18,411	18,357	18,553	17,627	16,054	13,641	17,700	183,243
	<b>HESCO</b>	9,050	9,002	10,419	9,029	10,506	9,367	8,423	7,918	8,978	10,150	11,013	9,236	117,723
	<b>SEPCO</b>	3,758	3,729	6,245	6,715	5,583	5,935	6,169	6,558	6,007	5,945	5,975	6,876	65,055
	<b>IESCO</b>	16,908	12,318	10,852	13,393	14,437	15,512	15,216	14,750	12,567	11,453	14,522	164,661	
	<b>LESCO</b>	37,760	28,058	28,741	33,303	34,522	33,107	34,490	33,692	32,632	31,721	30,333	242,691	381,719
	<b>MEPCO</b>	18,919	19,728	22,452	25,648	26,527	26,418	27,415	26,650	27,051	26,193	22,935	18,428	240,152
	<b>PESCO</b>	14,556	12,811	15,586	18,652	10,327	12,977	13,478	13,057	14,144	11,952	13,310	15,147	155,581
	<b>TESCO</b>	4,268	4,639	4,338	3,390	2,814	2,870	2,522	2,687	3,841	3,229	4,147	4,276	42,018
	<b>HAZCO</b>	3,051	3,036	4,161	2,919	2,702	3,245	3,215	3,227	3,429	3,109	3,528	3,974	41,241
<b>Sub-Total</b>		<b>144,513</b>	<b>142,632</b>	<b>141,255</b>	<b>149,198</b>	<b>150,002</b>	<b>151,689</b>	<b>154,524</b>	<b>153,792</b>	<b>152,453</b>	<b>149,871</b>	<b>145,043</b>	<b>241,973</b>	<b>1,777,413</b>
<b>K-Electric</b>		<b>12,645</b>	<b>14,501</b>	<b>13,109</b>	<b>11,677</b>									



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	8,169	10,220	12,589	13,814	14,073	14,063	12,793	10,350	7,783	7,621	125,812
Fuel Cost Component	10,3954	6,7837	7,9952	8,2498	8,4315	7,7138	7,0928	7,0938	7,4596	7,8596	6,7441	8,0165	7,7378
Variable O&M	0,3912	0,2967	0,3927	0,3719	0,4775	0,4390	0,4029	0,3880	0,3916	0,4249	0,3019	0,3211	0,3690
Capacity	20,3515	23,7442	19,1671	15,7406	12,7487	11,7132	11,7260	11,6594	12,8262	15,5545	20,4691	20,4052	15,2860
UsC	2,2195	2,3699	2,4429	2,0058	1,8083	1,7223	1,6615	1,6030	1,7785	1,9067	2,1340	2,2444	1,8075
Total Ppp In Rs. / kWh	33,3575	33,1445	29,6579	26,3681	23,4661	22,5683	20,8833	20,7523	22,4560	25,7558	29,1490	30,9871	25,3213
Fuel Cost Component	80,785	44,678	65,312	84,316	105,144	106,558	99,822	99,847	94,906	81,529	48,599	61,091	973,588
Variable O&M	3,040	1,969	2,881	3,801	6,012	6,064	5,670	5,457	4,982	4,102	2,350	2,447	49,075
Capacity	158,158	157,541	156,575	160,875	160,498	161,807	165,025	164,111	163,183	160,730	159,316	155,501	1,923,316
UsC	17,248	15,724	17,506	20,500	22,765	23,793	23,393	22,572	22,629	20,167	16,609	17,104	240,000
Total Ppp In Rs. Min	259,232	219,912	242,273	269,492	295,433	298,222	293,500	291,987	285,701	265,829	225,874	236,743	3,185,979

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

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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)	758	732	956	950	1,072	1,184	1,265	1,265	1,224	1,079	957	777	12,239
Fuel Cost Component													
Variable O&M	10,3954	6,7337	7,9952	8,2498	8,4315	7,7138	7,0929	7,0996	7,4506	7,8695	6,2441	8,0165	77,7115
Capacity	0.3812	0.2967	0.3927	0.3719	0.4775	0.4350	0.4029	0.3880	0.3916	0.4249	0.3019	0.3211	0.3856
UsdC	18,0079	20,3352	13,7831	12,2880	9,7895	8,5437	8,3030	8,5539	8,7688	10,9931	14,7538	17,4006	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	20,6670	22,8379	27,6521	21,4735

Fuel Cost Component	7,877	4,932	7,720	7,840	9,035	9,137	8,971	8,980	9,131	8,490	6,041	6,233	94,336
Variable O&M	296	217	341	353	512	520	510	491	479	458	292	250	4,7119
Capacity	13,645	14,909	13,309	11,677	10,492	10,120	10,502	10,819	10,731	11,659	14,273	13,529	145,962
UsdC	1,488	1,488	1,488	1,488	1,488	1,488	1,488	1,488	1,488	1,488	1,488	1,488	17,856
Total Ppp in Rs. Min	23,306	22,546	22,858	21,359	21,526	21,265	21,470	21,778	21,829	22,296	22,094	21,499	262,824

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 SOTs revised and notified by the GoP



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Description	Jan-25	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)	710	592	692	982	1,234	1,426	1,432	1,362	1,284	965	673	591	12,053
Fuel Cost Component	10,3954	6,7337	7,9952	8,2498	8,4315	7,7138	7,0925	7,0988	7,4596	7,8696	6,2441	8,0155	7,7334
Variable O&M	0,3912	0,2957	0,3327	0,3719	0,4775	0,4390	0,4029	0,3880	0,3916	0,4249	0,3019	0,3211	0,3920
Capacity	19,4608	25,2677	18,1446	15,6949	12,5136	12,9079	12,6828	13,4317	13,7259	16,5634	19,3734	19,8560	15,6051
UoSC													
Total PGP in Rs. / kWh	32,3697	34,8201	28,5211	26,3166	23,6544	22,9587	21,9757	22,7670	23,4605	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	9,590	7,591	4,703	5,537	9,2288
Variable O&M	278	176	244	365	589	626	577	536	503	410	263	222	4,729
Capacity	13,825	14,969	12,552	15,400	15,924	18,411	18,157	18,565	17,627	16,054	13,041	13,700	16,243
UoSC	1,508	1,494	1,403	1,964	2,260	2,707	2,573	2,553	2,444	2,014	1,360	1,507	23,787
Total PGP in Rs. Mln	22,995	20,628	19,731	25,837	29,188	32,747	31,460	31,467	30,154	26,069	28,805	20,965	31,0,048

It is clarified that PGP 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.



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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	1,644	1,596	2,143	2,138	2,188	1,992	1,571	1,038	902	18,427
Fuel Cost Component	10,3934	6,7337	7,9952	8,2498	8,4315	7,2138	7,0929	7,0993	7,4596	7,8696	6,2441	8,0165	7,7208
Variable O&M	0,3932	0,2967	0,3527	0,3719	0,4775	0,4390	0,4029	0,3880	0,3916	0,4249	0,3019	0,3211	0,3935
Capacity	20,7816	25,5958	19,8383	16,1604	13,2823	12,3384	12,8215	12,1059	13,5867	16,6733	23,0583	20,4208	15,7459
UoSC	2,2664	2,5567	2,2189	2,0542	1,8854	1,8143	1,8168	1,6650	1,8811	2,0821	2,4039	2,2461	1,9898
Total PPP in Rs. / kWh	33,8345	35,1810	30,4691	26,7963	24,0868	22,3054	22,1340	21,2589	23,5220	27,0599	32,0082	31,0045	25,8500

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	9,463	5,209	9,048	13,561	16,826	16,529	15,166	15,535	14,857	12,361	6,482	7,235	142,273
Variable O&M	356	230	399	611	953	942	853	819	780	667	313	290	7,251
Capacity	18,919	19,798	22,452	26,498	26,527	26,438	27,415	26,493	27,361	26,190	23,935	18,479	290,152
UoSC	2,063	1,976	2,510	3,377	3,763	3,883	3,885	3,633	3,753	3,286	2,495	2,027	36,685
Total PPP in Rs. Min	30,801	27,213	34,409	44,047	48,069	47,795	47,327	46,558	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



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14 JANUARY, 2026, 12:2:57 PM



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)	187	251	224	323	414	469	497	487	458	374	234	178	3,995
Fuel Cost Component	10,3954	6,7337	7,9952	8,2498	8,4315	7,7138	7,0929	7,0998	7,4595	7,8695	6,7441	8,0165	7,6568
Variable O&M	0,3932	0,2967	0,3527	0,3779	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	20,7693	13,4786	12,8196	13,5770	13,1281	14,2868	21,6948	20,3817	16,2837	
UoSC	2,1946	2,4623	3,3215	2,6504	1,9418	1,8615	1,8165	1,8811	1,8205	1,7926	2,2618	2,2418	2,0554
Total PPP in Rs. / kWh	33,1042	34,1629	39,3380	32,0714	24,2995	22,6735	22,1118	23,0460	22,7958	24,3740	30,5025	30,5611	26,4402

Fuel Cost Component	1,947	1,018	1,788	2,663	3,493	3,617	3,523	3,456	3,413	2,944	1,461	1,426	30,749
Variable O&M	73	45	79	120	198	206	200	189	179	159	71	57	1,576
Capacity	3,768	3,729	6,245	6,715	5,583	5,935	6,363	6,658	6,007	5,245	5,075	3,626	63,035
UoSC	411	372	698	856	792	873	902	916	833	671	529	399	8,251
Total PPP in Rs. / Min	6,199	5,263	8,350	10,354	10,066	10,630	10,933	11,219	10,433	9,119	7,135	5,508	105,631

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



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14 JAN 2026



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)	251	269	218	225	290	341	289	285	314	239	202	241	3,094
Fuel Cost Component	10,3954	6,7337	7,9552	8,2498	8,4315	7,7138	7,0929	7,0998	7,4595	7,8695	6,2441	8,9165	7,7904
Variable O&M	0,3912	0,2967	0,3527	0,3719	0,4175	0,4390	0,4029	0,3880	0,3926	0,4249	0,3019	0,3211	0,3854
Capacity	15,3645	18,2135	19,0844	12,9483	9,3308	9,5135	11,1406	11,3160	11,0565	13,5945	17,7870	16,8828	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	27,8367	27,0619	29,5660	23,2200	19,5633	19,0651	20,2150	20,3603	20,4523	23,5948	26,1973	26,6333	23,1629
Fuel Cost Component	2,612	1,407	1,743	1,850	2,441	2,631	2,047	2,025	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	3,588	3,978	41,291
UoSC	421	380	465	372	383	477	456	414	482	350	374	438	5,082
Total PPP in Rs. Min	6,993	5,655	6,447	5,235	5,664	6,502	5,835	5,806	6,430	5,397	5,282	6,428	71,674

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



✓  
Muhammad Anwar Bhinder

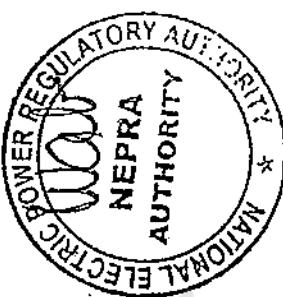


Description	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Total
Units Purchased by DISCOS (GWh)	796	652	690	714	917	1,080	1,200	1,191	996	724	639	764	10,373
Fuel Cost Component	10,3954	6,7337	7,9932	8,2498	8,4315	7,7138	7,0979	7,0998	7,4596	7,8636	6,2441	8,0165	7,7520
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	0,3865
Capacity	18,3284	21,0717	23,1516	15,2153	13,3173	12,0104	10,9777	10,9754	14,2064	16,5018	20,3511	19,8188	15,3849
UoSC	1,9888	2,1031	2,5884	1,9989	1,6053	1,7560	1,5555	1,5095	1,9700	2,0705	2,1821	2,1799	1,9010
Total PPP in Rs. / kWh	31,1138	30,2053	34,0879	25,7759	21,8317	21,9292	20,0250	19,9726	24,0277	26,8569	29,6592	30,3358	25,4245

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)	796	652	690	714	917	1,080	1,200	1,191	996	724	639	764	10,373
Fuel Cost Component	10,3954	6,7337	7,9932	8,2498	8,4315	7,7138	7,0979	7,0998	7,4596	7,8636	6,2441	8,0165	7,7520
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	0,3865
Capacity	18,3284	21,0717	23,1516	15,2153	13,3173	12,0104	10,9777	10,9754	14,2064	16,5018	20,3511	19,8188	15,3849
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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

Abdul B





### 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]



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

