

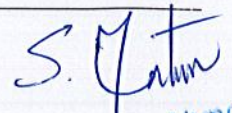
Government of Pakistan
Ministry of Energy

Islamabad, the 13th 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 12th 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 7th January, 2026 in respect of MEPCO and decision of power purchase price determination dated 7th January, 2026, is also hereby notified.
4. This notification shall come into force on and from the 1st day of January, 2026.


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



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, E-mail: registrar@nepra.org.pk

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
(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, 3rd Floor, State Life Building No. 3, Opposite CM House, Dr. Zai-ud-din Ahmad Road, Karachi
Secretary, Energy and Power Department, Government of Khyber Pakhtunkhwa, First Floor, A-Block, Abdul Wali Khan Multiplex, Civil Secretariat, Peshawar	Secretary, Energy Department, Government of Balochistan, Civil Secretariat, Zarghoon Road, Quetta
Secretary, Water & Power, Government of Gilgit Baltistan, Near Kara Kuram International University, Gilgit	Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad

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



Decision of the Authority 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

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												
		TESCO	TESCO	TESCO	GPSCO	MEPCO	PESCO	IESCO	QESCO	SEPCO	TESCO	HAZECO	Total	
Units Received	GWh	12,398	25,606	15,836	12,063	14,427	10,373	5,488	4,750	3,995	1,554	3,094	113,582	
Units Sold	GWh	11,194	23,440	14,597	10,995	16,337	8,375	4,523	4,094	3,344	1,416	2,618	101,234	
Units Lost	GWh	904	2,166	1,239	1,068	2,090	1,998	965	656	651	138	476	12,348	
T&D Losses	%	7.29%	8.45%	7.83%	8.85%	11.34%	19.26%	17.55%	13.81%	16.31%	8.89%	15.39%	10.87%	
Energy Charge	Rs. Mln	100,987	208,758	128,641	94,017	149,524	84,420	44,484	38,857	32,325	12,738	25,301	913,558	
Capacity Charge	Rs. Mln	164,652	381,769	236,947	188,213	196,152	159,583	112,729	95,008	65,055	42,013	41,291	1,777,453	
Transmission & MOF	Rs. Mln	20,681	47,921	29,413	23,787	36,665	19,718	13,960	11,589	8,751	5,095	5,082	222,144	
Power Purchase Price	Rs. Mln	286,329	637,954	395,002	310,048	476,341	263,722	171,173	145,434	105,631	59,842	71,674	2,923,154	
Pay & Allowances	Rs. Mln	16,380	30,670	20,467	17,310	20,353	13,869	10,832	7,921	7,073	1,355	1,833	148,062	
Fast Refund/Benefit	Rs. Mln	11,047	22,126	20,716	11,205	27,291	14,043	6,425	3,916	6,542	698	988	124,997	
Repair & Maintenance	Rs. Mln	2,625	3,000	1,296	3,551	2,039	1,543	2,839	1,603	1,446	391	137	20,481	
Traveling Allowance	Rs. Mln	641	772	643	446	1,076	216	377	308	432	46	34	4,943	
Vehicle maintenance	Rs. Mln	1,116	2,169	1,095	1,261	742	325	689	558	289	82	11	8,314	
Other expenses	Rs. Mln	2,579	3,437	2,256	1,161	3,731	1,877	1,300	932	1,887	108	69	19,226	
O&M Cost	Rs. Mln	34,388	62,174	45,473	34,924	35,201	31,873	22,461	15,266	17,669	2,681	2,913	326,021	
Depreciation	Rs. Mln	8,981	6,728	6,615	5,339	9,195	3,328	1,845	1,953	1,894	710	803	44,395	
ROR	Rs. Mln	14,390	10,752	12,807	18,204	10,704	7,078	13,495	6,001	9,284	2,504	707	97,924	
O Income	Rs. Mln	(8,281)	(12,600)	(7,313)	(4,565)	(8,535)	(6,111)	(1,333)	(1,970)	(2,669)	(728)	(657)	(54,760)	
Total Distribution/Supply Margin	Rs. Mln	46,478	67,054	58,382	43,992	66,565	36,168	36,469	21,242	16,182	5,166	3,771	413,579	
Prior Year Adjustment	Rs. Mln	(4,209)	(971)	16,974	22,420	6,794	13,745	(297)	5,561	2,120	3,443	(7)	71,572	
Revenue Requirement	Rs. Mln	328,598	704,041	470,558	378,369	551,699	315,635	207,345	172,237	133,934	70,432	75,437	3,408,305	
Working Capital	Rs. Mln	(4,493)	(4,260)	(3,831)	(1,858)	(4,538)	(3,187)	(1,821)	(2,797)	(603)	(1,036)	(569)	(28,993)	
Net Revenue Requirement net of W.C	Rs. Mln	324,105	699,781	466,727	376,501	547,161	312,448	205,524	169,441	133,331	69,416	74,872	3,379,308	
Avg. Tariff with Working Capital	Rs./kWh	28.20	29.85	31.97	34.24	37.49	37.31	45.44	41.38	39.88	49.03	28.60	33.58	

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

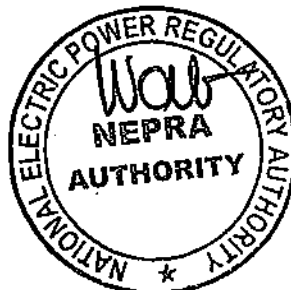


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sector' and under Clause 5.6.4 states that in due course, financial self-sustainability will eliminate the need for Government subsidies (except for any subsidies for lifeline, industry or agriculture consumers, as per prevailing Government considerations). 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



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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.



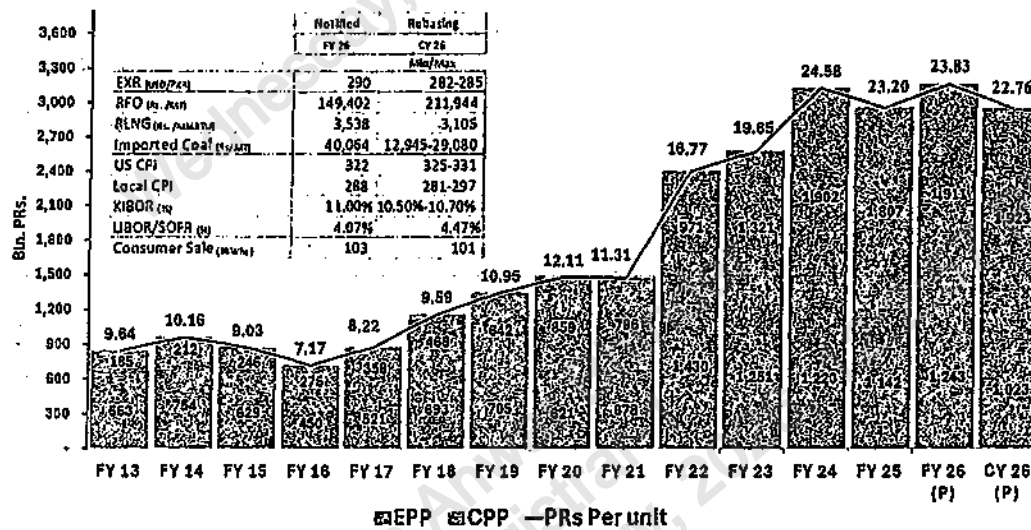
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Decision of the Authority regarding motion filed by Federal Government under Section 7 and 31 of NEPRA Act 1997 read with Rule 17 of NEPRA (Tariff standards and procedure) Rules, 1998 with respect to recommendation of Consumer end tariff

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.

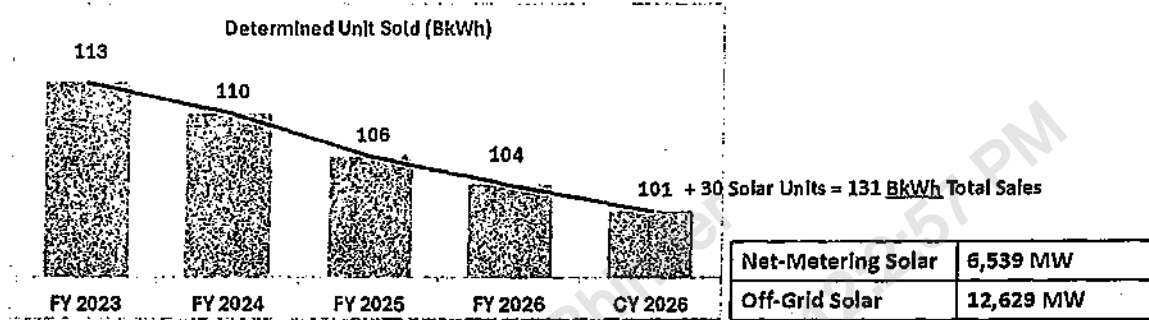


16. It was explained that over the years, determined unit sales have gone down from 113 bkWh in FY 2023 to projected 101 bkWh in CY 2026, primarily due to influx of solar net metering and off-grid solar. The capacity of net metering and off-grid solar has increased to 6,539 MW and 12,629 MW (as per the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





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

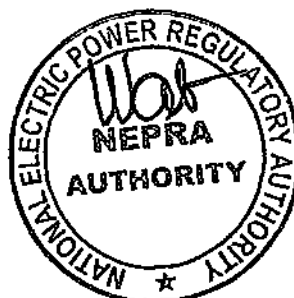


17. The MoE (PD) further stated that total revenue requirement of XWDISCOs for the CY 2026, as determined by NEPRA, has decreased by Rs.142 billion, as compared to FY 2025-26, resulting in reduction of Rs.0.62/kWh in the average base tariff for the CY 2026. While explaining the reasons, the MoE (PD)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

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

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

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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:

	Consumers		Units	GoP Variable			GoP Fixed				Subsidy
				Jul-25	Jan-26	Change	Jul-25	Jan-26			
	Nos	%	MkWh	Rs/KWh	Rs/KWh		Rs/Con/M	Rs/KW/M	Rs/Con/M	Rs/KW/M	Bn Rs.
Up to 50 Units - Life Line	849,869	2%	413	3.95	3.95		0	0	0	0	21
51-100 units - Life Line	533,271	1%	393	7.74	7.74		0	0	0	0	11
01-100 Units (Protected)	7,640,109	20%	15,007	10.54	10.54		0	0	0	0	384
101-200 Units (Protected)	12,530,378	32%	3,898	13.01	13.01		0	0	0	0	90
01-100 Units	813,496	2%	3,003	22.44	22.44		0	0	0	0	41
101-200 Units	1,481,312	4%	6,479	28.91	28.91		0	0	0	0	47
Non-Prot. 201-300	5,632,066	15%	9,083	33.10	33.10		0	0	0	0	27
Non-Prot. > 300 & ToU	4,694,365	12%	13,399	41.10	41.10		200 - 1000	0	0	200 - 1000	(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	1250	1000	1250	(90)
General Services	228,309	1%	3,488	42.48	42.48		1000	1250	1000	1250	(35)
Industrial	301,384	1%	23,248	29.34	29.34		1000	1250	1000	1250	(102)
Bulk	2,698	0.01%	3,198	38.22	38.22		2000	1250	2000	1250	(45)
Agricultural	261,607	1%	6,501	28.99	28.99		0	400	0	400	15
Others	10,781	0%	3,198	29.02	29.02		2000	1250	2000	1250	(16)
National	38,603,101	100%	101,234	28.73	28.73						248
							Subsidy Required				

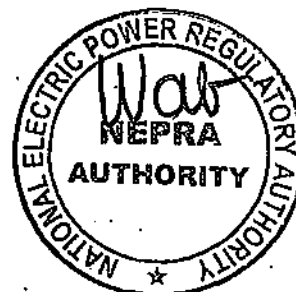
20. Various commentators during the hearing, raised their concerns about the proposed increase in tariff by the MoE (PD). Written comments were also received from Mr. Rehan Javed, an industrial user from Karachi. A summary of the written comments from the commentators are as under;

✓ **Selective and Discriminatory Application of Base Tariff Reduction**

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

✓ **Excessive and Unsustainable Industrial Cross-Subsidy**

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



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✓ **Misuse of Uniform Tariff Concept**

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

✓ **Structurally Flawed Industrial Tariff Design**

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

✓ **Penalization of Higher Voltage Consumers**

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

✓ **Absence of Demand-Side Strategy**

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

✓ Mr. Rehan Javed, during the hearing, reiterated his written comments.

✓ APTMA submitted that the inclusion of cross-subsidy in the off-peak tariff for B3 and B4 industrial consumers renders the tariff uncompetitive in international markets. It was contended that electricity tariffs in competing regional and global markets range between 5 to 9 US cents per kWh, whereas the prevailing industrial tariff in Pakistan stands at approximately 12.90 US cents per kWh, as submitted by the Ministry of Energy. APTMA further submitted that protected residential consumers are being heavily subsidized, the burden of which is being cross-subsidized by industrial consumers.

✓ Mr. Aamir Sheikh, Mr. Rehan Javed, Mr. Asim Riaz, and Mr. Arif Bilwani opposed the continuation of cross-subsidy being borne by industrial consumers. They submitted that a rationalized and lower industrial tariff would enable industries to expand operations, enhance export competitiveness, and generate employment. It was further argued that industrial growth would indirectly uplift low-consumption residential consumers through increased economic activity, while simultaneously reducing the fiscal burden of subsidies borne by the Federal Government.

✓ Mr. Arif Bilwani also requested that the peak and Off-peak rates should be abolished to the extent of industry.

✓ Mr. Aamir Sheikh further submitted that a reduction in the reference tariff on account of PPP could potentially lead to positive periodic adjustments, thus leading to increase in industrial tariff.

Wab 9





- ✓ 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**

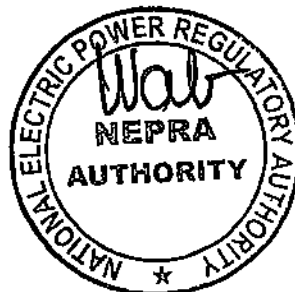
There is no change in base tariff of any consumer category / slab, therefore there is no selective or discriminatory treatment with industries. The reduction in NEPRA rate has been absorbed by a substantial change in domestic consumer mix towards low-tariff protected class. Accordingly, the national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



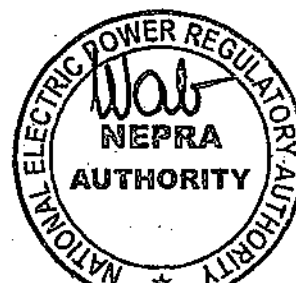
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implemented, including an incremental incentive package aimed at enhancing demand and optimizing the utilization of surplus capacity.

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. 1st 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 1st 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.

Wab 7



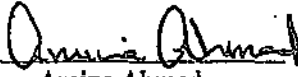
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Decision of the Authority regarding motion filed by Federal Government under Section 7 and 31 of NEPRA Act 1997 read with Rule 17 of NEPRA (Tariff standards and procedure) Rules, 1998 with respect to recommendation of Consumer end tariff

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



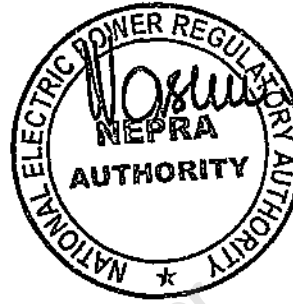
Amina Ahmed
Member



Engr. Maqsood Anwar Khan
Member



Waseem Mukhtar
Chairman



Fixed Charges			Variable Charges (Rs./KWh)														Uniform National NEPRA Determined Tariff with FYA
Description	NEPRA		NEPRA Determined Tariff														
	Rs. / Cons. / Month	Rs. / KW / Month	PESCO	HESCO	CEPCO	QESCO	MEPCO	FESCO	LESCO	BESCO	SEPCO	YESCO	HAZECO	ISCO			
Residential																	
For peak load requirement less than 5 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Up to 50 Units - Life Line	-	-	34.19	38.63	32.39	46.45	29.48	35.88	37.22	35.11	39.73	50.81	27.91			36.13	
51-100 units - Life Line	-	-	34.80	39.24	32.93	47.06	30.09	36.29	37.83	33.77	40.34	51.42	28.52			36.13	
01-100 Units	-	-	37.41	43.75	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	36.65	50.83	32.74	35.81	35.48	31.03	41.17	51.33	29.85			36.13	
01-100 Units	-	-	35.90	51.57	35.32	54.82	33.18	35.54	35.13	30.71	43.82	54.05	29.47			36.13	
101-200 Units	-	-	36.71	53.00	35.35	55.04	34.58	34.78	33.38	29.37	45.24	55.47	30.27			36.13	
201-300 Units	-	-	36.87	53.09	35.64	55.17	34.69	35.25	34.08	29.98	45.32	55.54	30.44			36.13	
301-400 Units	200	-	37.67	52.55	35.60	55.69	33.97	34.37	32.82	29.72	44.47	55.34	29.11			35.58	
401-500 Units	400	-	37.25	52.14	35.18	55.27	33.55	33.95	32.41	28.31	44.05	54.92	28.89			35.23	
501-600 Units	600	-	37.05	51.93	34.88	55.13	33.35	33.74	32.20	28.10	43.85	54.72	28.49			34.97	
601-700 Units	800	-	36.92	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	-	36.79	51.65	34.68	54.83	33.05	33.46	31.92	28.82	43.24	54.47	28.23			35.07	
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	28.93			33.08	
Time of Use (TOU) - Off-Peak	1,000	-	34.87	49.90	32.82	53.02	31.18	31.69	30.15	27.03	41.47	52.67	26.41			30.81	
Temporary Supply	2,000	-	40.80	59.37	37.93	61.89	36.70	37.36	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	41.78	24.89	44.87	22.77	23.84	21.05	18.90	33.23	44.42	17.83			24.54	
For peak load requirement exceeding 5 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Regular	-	1,250	27.46	42.45	25.38	42.77	23.48	24.53	22.83	19.59	33.92	42.32	18.53			25.43	
Time of Use (TOU) - Peak	-	-	35.90	50.65	33.84	53.88	32.06	32.85	31.24	28.05	39.98	53.11	26.97			33.08	
Time of Use (TOU) - Off-Peak	-	1,250	28.00	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	-	38.92	57.60	36.40	60.12	34.83	36.11	33.34	29.17	45.55	60.90	29.99			34.68	
Electric Vehicle Charging Station (EVCS)	-	-	33.71	52.08	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	47.90	31.16	51.08	29.01	29.94	28.21	24.99	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	-	48.72	43.37	35.85	60.09	40.18	32.46	31.05	33.08	36.13	40.27	36.12			35.00	
B1 Off-Peak	-	-	41.28	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	35.58	27.86	26.56	28.23	31.44	35.87	33.80			27.87	
B2 - TOU (Peak)	-	-	46.53	42.93	35.73	59.67	39.80	32.05	30.72	31.95	35.84	40.25	37.84			35.00	
B2 - TOU (Off-peak)	-	1,250	36.91	32.47	28.72	50.81	29.83	22.08	20.73	23.54	28.71	32.35	28.13			25.49	
B3 - TOU (Peak)	-	-	48.58	43.07	36.01	60.15	40.84	32.24	30.90	31.13	35.77	40.41	37.99			35.00	
B3 - TOU (Off-peak)	-	1,250	31.98	28.47	21.41	45.55	25.44	17.84	16.30	18.62	21.18	25.81	23.39			20.83	
B4 - TOU (Peak)	-	-	48.58	43.03	35.11	59.23	39.83	32.23	30.99	31.87	35.87	40.41	37.99			35.00	
B4 - TOU (Off-peak)	-	1,250	36.72	32.17	25.25	49.36	30.07	21.37	20.13	20.91	24.80	29.55	28.12			24.24	
Temporary Supply	5,000	-	47.57	48.05	35.37	63.98	40.86	33.39	31.34	32.11	38.11	45.40	38.97			35.13	
Total Industrial																	
Single Point Supply																	
C1(a) Supply at 400 Volts less than 5 kW	2,000	-	34.61	51.24	32.81	52.91	32.80	31.93	30.88	28.58	41.56	51.58	26.37			34.11	
C1(b) Supply at 400 Volts exceeding 5 kW	-	1,250	21.36	37.73	19.39	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	30.58	29.70	29.02	26.43	39.51	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	18.19	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	26.58			35.00	
Time of Use (TOU) - Off-Peak	-	1,250	19.26	35.82	17.20	37.32	17.56	16.56	15.56	13.30	23.79	36.95	11.37			19.33	
C3 Supply above 11 kV	-	1,250	30.09	45.21	27.88	48.88	27.80	26.98	26.03	23.83	35.54	45.58	21.85			37.37	
Time of Use (TOU) - Peak	-	-	39.82	54.84	37.59	58.81	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	24.05	21.85	33.59	43.61	19.71			25.46	
Total Single Point Supply																	
Agricultural Tube-wells - Tariff D																	
Scarp	-	-	27.08	42.24	23.06	44.87	23.16	24.10	21.30	19.18	33.81	43.85	18.07			32.86	
Time of Use (TOU) - Peak	-	-	24.05	39.29	22.00	41.75	20.35	21.26	17.95	16.17	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	12.90			31.30	
Agricultural Tube-wells	-	400	34.68	49.45	32.52	52.56	30.89	31.83	29.75	26.77	41.88	51.51	25.85			32.52	
Time of Use (TOU) - Peak	-	-	38.47	53.48	36.32	56.17	34.49	35.44	32.82	30.52	45.37	55.35	29.48			35.00	
Time of Use (TOU) - Off-Peak	-	400	28.43	48.10	27.76	51.74	29.83	30.88	28.82	26.21	37.94	48.70	24.89			28.70	
Total Agricultural																	
Public Lighting - Tariff G																	
Residential Colonies	2,000	-	31.81	48.97	29.82	49.89	27.72	28.93	27.78	23.71	38.37	48.24	22.38			32.80	
Railway Station	2,000	-	26.95	42.41	24.85	45.03	23.05	24.27	23.09	19.03	33.70	44.57	17.71			25.80	
Tariff K - A/K	-	1,250	-	-	24.89	-	25.99	-	26.04	-	-	-	-			26.01	
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 - Rawat Lab	2,000	-	-	-	-	-	-	-	-	25.80	-	-	-			25.80	
Pre-paid Supply Tariff																	
Residential	1,000	-	42.50	55.11	41.19	60.94	36.48	40.41	38.82	34.25	48.50	62.65	34.28			40.65	
Commercial - A2	-	1,250	32.85	50.12	30.37	53.50	28.31	29.89	27.83	24.15	38.31	52.38	22.34			29.86	
General Services - A3	1,000	-	36.07	55.09	35.83	58.71	33.36	34.43	32.45	28.73	45.74	67.91	27.80			37.23	
Industrial	-	1,250	42.07	37.93	30.50	57.04	35.14	29.87	23.77	25.86	32.34	32.92	30.22			28.08	
Single Point Supply	-	1,250	28.98	46.58	23.92	47.47	25.17	26.45	25.86	23.07	35.55	46.43	18.88			27.94	
Agriculture Tube-wells - Tariff D	-	400	35.13	50.18	34.07	57.44	35.03	38.17	32.06	25.88	42.81	58.15	29.32			38.04	

SCHEDULE OF ELECTRICITY TARIFFS

NATIONAL AVERAGE UNIFORM DETERMINED TARIFF WITH FYA ALONG WITH GOP APPLICABLE TARIFF

GENERAL SUPPLY TARIFF - RESIDENTIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	UNIFORM DETERMINED TARIFF WITH FYA VARIABLE CHARGES		GOP APPLICABLE VARIABLE CHARGES	
		Rs. / Conn. / M	Rs./kWh/M	Rs./kWh		Rs./kWh	
		A	B	C		D	
i)	For Sanctioned load less than 5 kW	-	-	36.13		3.98	
ii)	Up to 40 Units - Life Line	-	-	36.13		7.74	
iii)	01 - 100 Units - Life Line	-	-	36.13		10.54	
iv)	101 - 200 Units	-	-	36.13		13.01	
v)	201 - 300 Units	-	-	36.13		23.44	
vi)	301 - 400 Units	-	-	36.13		28.91	
vii)	401 - 500 Units	200	-	36.13		33.10	
viii)	501 - 600 Units	400	-	36.13		37.99	
ix)	601 - 700 Units	600	-	36.13		40.20	
x)	701 - 800 Units	800	-	36.13		41.63	
xi)	801 - 900 Units	1,000	-	36.13		42.76	
xii)	Above 900 Units	1,000	-	36.13		47.69	
b)	For Sanctioned load 5 kW & above	-	-	36.13		47.69	
	Time Of Use	1,000	-	36.13		47.69	
	Pre-Paid Residential Supply Tariff	1,000	-	36.13		47.69	

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

Rs. 75/- per consumer per month
Rs. 150/- per consumer per month

a) Single Phase Connection
b) Three Phase Connection

GENERAL SUPPLY TARIFF - COMMERCIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	UNIFORM DETERMINED TARIFF WITH FYA VARIABLE CHARGES		GOP APPLICABLE VARIABLE CHARGES	
		Rs. / Conn. / M	Rs./kWh/M	Rs./kWh		Rs./kWh	
		A	B	C		D	
i)	For Sanctioned load less than 5 kW	1,000	-	24.54		27.44	
ii)	For Sanctioned load 5 kW & above	-	1,350	24.54		27.44	
	Time Of Use	-	1,350	24.54		27.44	
	Pre-Paid Commercial Supply Tariff	-	1,350	24.54		27.44	

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

GENERAL SUPPLY TARIFF - INDUSTRIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	UNIFORM DETERMINED TARIFF WITH FYA VARIABLE CHARGES		GOP APPLICABLE VARIABLE CHARGES	
		Rs. / Conn. / M	Rs./kWh/M	Rs./kWh		Rs./kWh	
		A	B	C		D	
i)	General Services	1,000	-	32.48		42.48	
ii)	Pre-Paid General Services Supply Tariff	1,000	-	32.48		42.48	

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

GENERAL SUPPLY TARIFF - INDUSTRIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	UNIFORM DETERMINED TARIFF WITH FYA VARIABLE CHARGES		GOP APPLICABLE VARIABLE CHARGES	
		Rs. / Conn. / M	Rs./kWh/M	Rs./kWh		Rs./kWh	
		A	B	C		D	
B1	Up to 25 kW (at 400/230 Volts)	1,000	-	32.68		30.89	
B2(a)	Exceeding 25-500 kW (at 400 Volts)	-	1,350	27.67		30.73	
	Time Of Use	-	1,350	27.67		30.73	
B1 (b)	Up to 25 kW	1,000	-	36.00		36.74	
B2(b)	Exceeding 25-500 kW (at 400 Volts)	-	1,350	36.00		36.66	
B3	For All Loads up to 1000 kW (at 11.33 kV)	-	1,350	36.00		36.66	
B4	For All Loads (at 66.33 kV & above)	-	1,350	36.00		36.66	
	Pre-Paid Industrial Supply Tariff	-	1,350	36.00		36.66	

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

SINGLE POINT SUPPLY

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	UNIFORM DETERMINED TARIFF WITH FYA VARIABLE CHARGES		GOP APPLICABLE VARIABLE CHARGES	
		Rs. / Conn. / M	Rs./kWh/M	Rs./kWh		Rs./kWh	
		A	B	C		D	
G-1	For supply at 400/230 Volts	-	-	34.11		43.39	
a)	Sanctioned load less than 5 kW	2,000	-	34.11		43.39	
b)	Sanctioned load 5 kW & up to 500 kW	-	1,350	34.11		40.63	
G-2(a)	For supply at 11.33 kV up to and including 5000 kW	-	1,350	34.11		40.67	
G-2(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	-	1,350	34.11		40.77	
	Time Of Use	-	1,350	34.11		40.77	
C-1(a)	For supply at 400/230 Volts & up to 500 kW	-	1,350	36.00		36.74	
C-2(a)	For supply at 11.33 kV up to and including 5000 kW	-	1,350	36.00		36.66	
C-2(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	-	1,350	36.00		36.66	
	Pre-Paid Single Supply Tariff	-	1,350	36.00		36.66	

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



12/18

SCHEDULE OF ELECTRICITY TARIFFS
NATIONAL AVERAGE UNIFORM DETERMINED TARIFF WITH PTA ALONG WITH GOP APPLICABLE TARIFF
FOR AGRICULTURE TARIFF

Sl. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Conn. / M	FIXED CHARGES Rs./kW/M	UNIFORM DETERMINED TARIFF WITH PTA VARIABLE CHARGES Rs/kWh	GOP APPLICABLE VARIABLE CHARGES Rs/kWh
		A	B	C	D
D-1(a)	SCAMP less than 5 kW	-	-	32.88	39.67
D-2 (a)	Agricultural Tube Wells	-	400	35.53	38.58
				Peak	Off-Peak
D-1(b)	SCAMP 5 kW & above	-	400	31.50	43.79
D-2 (b)	Agricultural 5 kW & above	-	400	35.70	38.69
	Fee Paid for April to May	-	400	35.94	33.18

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 sufficient load less than 5 kW are not for TDU metering.

TEMPORARY SUPPLY TARIFFS

Sl. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Conn. / M	FIXED CHARGES Rs./kW/M	UNIFORM DETERMINED TARIFF WITH PTA VARIABLE CHARGES Rs/kWh	GOP APPLICABLE VARIABLE CHARGES Rs/kWh
		A	B	C	D
D-1(a)	Residential Supply	2,000	-	34.31	57.94
D-1(b)	Commercial Supply	5,000	-	34.64	43.44
D-2	Industrial Supply	5,000	-	35.13	42.36

SEASONAL INDUSTRIAL SUPPLY TARIFFS

125% of relevant industrial tariff

Note: Tariff 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.

STREET LIGHTING TARIFFS

Sl. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Conn. / M	FIXED CHARGES Rs./kW/M	UNIFORM DETERMINED TARIFF WITH PTA VARIABLE CHARGES Rs/kWh	GOP APPLICABLE VARIABLE CHARGES Rs/kWh
		A	B	C	D
	Street Lighting	3,000	-	32.62	42.91

RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES

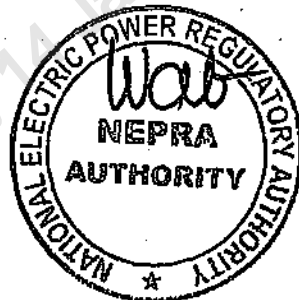
Sl. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Conn. / M	FIXED CHARGES Rs./kW/M	UNIFORM DETERMINED TARIFF WITH PTA VARIABLE CHARGES Rs/kWh	GOP APPLICABLE VARIABLE CHARGES Rs/kWh
		A	B	C	D
	Residential Colonies attached to industrial premises	2,000	-	33.60	42.10

SPECIAL CONTRACTS

Sl. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Conn. / M	FIXED CHARGES Rs./kW/M	UNIFORM DETERMINED TARIFF WITH PTA VARIABLE CHARGES Rs/kWh	GOP APPLICABLE VARIABLE CHARGES Rs/kWh
		A	B	C	D
1	Assam Jammu & Kashmir (AJK)	-	1,250	31.58	36.48
	Time of Day	-	1,350	Peak 35.01, Off-Peak 31.58	Peak 38.88, Off-Peak 34.73
2	Export Job	2,000	-	35.90	42.28

RAILWAY TRACTION

Sl. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs. / Conn. / M	FIXED CHARGES Rs./kW/M	UNIFORM DETERMINED TARIFF WITH PTA VARIABLE CHARGES Rs/kWh	GOP APPLICABLE VARIABLE CHARGES Rs/kWh
		A	B	C	D
	Railway Traction	2,000	-	35.91	42.59



Description	Fixed Charges		Variable Charges (Rs./kWh)													Uniform National NEPRA Determined Tariff without PYA	
	NEPRA Determined		NEPRA Determined Tariff														
	Rs. / Cons. / Month	Rs. / kW / Month	PESCO	NEESCO	DEPSCO	GESCO	WAPDA	PESCO	NEESCO	DEPSCO	GESCO	WAPDA	PESCO	NEESCO	DEPSCO		GESCO
Residential																	
For peak load requirement less than 5 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Up to 50 Units - Life Line	-	-	32.31	38.89	30.35	45.69	28.94	34.52	37.28	33.48	38.10	48.98	27.81	-	-	-	35.43
51-100 units - Life Line	-	-	32.82	39.30	30.88	45.70	29.55	35.13	37.07	34.14	39.71	47.57	28.52	-	-	-	35.37
01-100 Units	-	-	35.53	43.82	34.75	49.40	32.34	34.78	35.83	31.53	40.87	47.82	29.85	-	-	-	35.33
101-200 Units	-	-	35.40	43.68	34.61	49.27	32.20	34.64	35.51	31.40	40.83	47.49	29.85	-	-	-	35.31
01-100 Units	-	-	34.02	51.84	34.28	53.28	32.82	34.88	35.17	31.08	43.18	50.20	29.47	-	-	-	35.35
101-200 Units	-	-	34.83	53.05	33.31	54.88	34.05	35.58	33.42	29.73	44.81	51.83	30.28	-	-	-	35.34
201-300 Units	-	-	34.89	53.18	33.80	54.81	34.15	34.09	34.10	30.35	44.88	51.89	30.44	-	-	-	35.30
301-400 Units	200	-	35.78	52.82	33.66	54.33	33.43	33.20	32.87	30.08	43.83	51.49	29.11	-	-	-	34.70
401-500 Units	400	-	35.37	52.20	33.14	53.81	33.01	32.78	32.45	29.87	43.42	51.08	28.69	-	-	-	34.38
501-600 Units	600	-	35.17	52.05	32.94	53.77	32.81	32.58	32.25	29.47	43.31	50.87	28.48	-	-	-	34.15
601-700 Units	800	-	35.04	51.88	32.80	53.62	32.66	32.45	32.11	29.33	42.78	50.78	28.35	-	-	-	34.03
Above 700 Units	1,000	-	34.91	51.71	32.64	53.45	32.51	32.29	31.95	29.18	42.60	50.63	28.23	-	-	-	34.30
For peak load requirement exceeding 5 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Time of Use (TOU) - Peak	1,000	-	35.82	52.48	33.31	54.18	33.15	33.05	32.72	29.94	43.36	51.34	28.94	-	-	-	32.74
Time of Use (TOU) - Off-Peak	-	-	33.09	49.97	30.78	51.66	30.82	30.53	30.19	27.42	40.84	48.82	26.41	-	-	-	30.26
Temporary Supply	2,000	-	38.72	59.43	35.89	60.33	36.16	36.22	35.25	31.22	47.81	58.75	32.04	-	-	-	33.80
Total Residential																	
Commercial - A2																	
For peak load requirement less than 5 kW	1,000	-	24.89	41.82	22.85	43.32	22.23	22.67	21.99	19.25	32.59	40.58	17.84	-	-	-	23.88
For peak load requirement exceeding 5 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Regular	-	1,250	25.58	42.51	23.34	44.41	22.82	23.37	22.87	19.95	33.28	38.47	18.53	-	-	-	28.10
Time of Use (TOU) - Peak	-	-	34.02	50.91	31.80	52.50	31.54	31.78	31.29	28.42	39.35	48.27	26.97	-	-	-	32.54
Time of Use (TOU) - Off-Peak	-	1,250	28.12	43.02	23.70	44.80	23.85	23.77	23.39	20.52	31.48	41.37	19.07	-	-	-	24.60
Temporary Supply	5,000	-	37.04	57.87	34.38	58.76	34.28	34.95	33.59	29.54	45.91	57.05	28.89	-	-	-	34.22
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	-	-	-	31.05
Total Commercial																	
General Services-A3																	
Industrial	1,000	-	31.22	47.97	25.12	45.70	28.47	28.74	28.28	25.35	39.14	46.81	24.17	-	-	-	31.85
B1	1,000	-	41.82	40.91	30.88	55.87	36.51	29.54	29.49	31.43	32.18	33.23	35.01	-	-	-	31.88
B1 Peak	1,000	-	44.84	43.44	33.94	58.73	39.85	31.29	31.09	33.43	35.50	36.43	38.13	-	-	-	34.12
B1 Off-Peak	-	-	39.40	38.38	28.51	53.30	34.21	27.24	27.03	29.36	30.44	30.98	32.89	-	-	-	28.89
B2	-	1,250	40.21	38.83	28.35	54.12	35.05	28.70	28.60	28.80	30.81	31.83	33.61	-	-	-	27.79
B2 - TOU (Peak)	-	-	44.65	42.89	33.89	58.31	39.38	30.89	30.78	32.31	35.23	36.40	37.94	-	-	-	34.25
B2 - TOU (Off-peak)	-	1,250	35.03	32.54	24.88	49.48	29.39	20.80	20.77	23.80	28.07	28.51	25.13	-	-	-	24.71
B3 - TOU (Peak)	-	-	44.70	43.14	33.87	58.79	39.51	31.08	30.84	31.49	35.13	36.56	37.99	-	-	-	34.38
B3 - TOU (Off-peak)	-	1,250	30.10	28.53	19.37	44.19	24.80	16.47	16.34	18.88	20.53	21.05	23.39	-	-	-	18.92
B4 - TOU (Peak)	-	-	44.70	43.09	33.07	57.87	39.39	31.07	31.03	32.03	35.03	35.58	37.99	-	-	-	34.57
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	-	-	-	23.80
Temporary Supply	5,000	-	45.69	48.14	34.33	62.83	40.42	32.23	31.38	32.48	37.48	41.88	38.88	-	-	-	34.05
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	30.87	31.00	28.84	40.93	47.74	28.38	-	-	-	33.93
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	-	-	-	27.14
Time of Use (TOU) - Peak	-	-	30.82	49.28	28.00	49.38	30.02	28.54	28.08	28.79	38.87	45.28	24.27	-	-	-	34.23
Time of Use (TOU) - Off-Peak	-	1,250	24.47	42.94	21.85	43.03	23.87	22.19	22.71	20.45	32.52	38.93	17.92	-	-	-	28.34
C2 Supply at 11 kV	-	1,250	20.12	38.60	16.10	38.75	19.28	17.87	18.20	16.14	28.13	33.08	13.87	-	-	-	21.18
Time of Use (TOU) - Peak	-	-	33.12	52.17	31.43	62.03	32.59	31.21	31.41	29.43	41.72	48.33	28.57	-	-	-	34.38
Time of Use (TOU) - Off-Peak	-	1,250	17.38	35.88	15.16	35.98	17.02	15.42	15.82	13.68	25.16	33.11	11.37	-	-	-	18.70
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	-	-	-	38.87
Time of Use (TOU) - Peak	-	-	37.94	55.01	35.55	55.26	36.99	35.55	35.81	33.72	44.84	51.45	31.39	-	-	-	35.05
Time of Use (TOU) - Off-Peak	-	1,250	26.28	43.33	23.67	43.58	25.32	23.87	24.13	22.04	32.86	39.77	19.71	-	-	-	23.48
Total Single Point Supply																	
Agriculture Tube-wells - Tariff D																	
Scarp	-	-	25.18	42.30	23.02	43.51	22.83	22.84	21.34	19.52	33.15	38.84	18.05	-	-	-	32.22
Time of Use (TOU) - Peak	-	-	22.17	38.38	19.87	40.40	18.81	20.10	18.60	18.64	30.30	38.78	15.07	-	-	-	34.86
Time of Use (TOU) - Off-Peak	-	400	20.00	37.19	17.79	38.22	17.84	17.93	15.93	14.38	28.12	34.81	12.90	-	-	-	31.11
Agriculture Tube-wells	-	400	32.89	49.51	30.48	51.20	30.16	30.47	28.79	27.13	41.03	47.67	25.88	-	-	-	31.18
Time of Use (TOU) - Peak	-	-	38.58	53.53	34.28	54.81	33.88	34.28	32.85	30.85	44.73	51.51	29.49	-	-	-	34.38
Time of Use (TOU) - Off-Peak	-	400	28.55	48.17	25.72	50.18	29.39	29.70	28.88	20.55	37.30	45.85	24.89	-	-	-	28.05
Total Agricultural																	
Public Lighting - Tariff G																	
Public Lighting Colonies	2,000	-	29.73	47.04	27.58	48.33	27.18	27.77	27.81	24.08	37.73	45.39	22.38	-	-	-	32.22
Railway Traction	2,000	-	25.07	42.47	22.91	43.87	22.52	23.11	23.13	19.41	33.07	40.73	17.71	-	-	-	25.20
Tariff K - A2K	-	1,250	-	-	22.85	-	-	-	-	22.03	-	-	18.55	-	-	-	22.95
Time of Use (TOU) - Peak	-	-	-	-	29.28	-	-	-	-	25.88	-	-	24.88	-	-	-	28.04
Time of Use (TOU) - Off-Peak	-	1,250	-	-	24.58	-	-	-	-	21.18	-	-	20.18	-	-	-	21.40
Tariff K - Rawat Lab	2,000	-	-	-	-	-	-	-	-	28.28	-	-	-	-	-	-	28.28
Pre-paid Supply Tariff																	
Residential	1,000	-	40.82	55.17	39.15	59.58	37.94	39.24	38.68	34.82	47.58	58.70	34.28	-	-	-	40.85
Commercial - A2	-	1,250	30.87	50.18	28.33	52.14	27.77	28.34	27.87	24.50	37.68	48.53	22.54	-	-	-	28.86
General Services - A3	1,000	-	38.19	55.15	33.79	57.36	32.82	33.27	32.43	28.10	45.11	54.07	27.80	-	-	-	37.23
Industrial	-	1,250	40.19	58.00	38.45	58.88	34.80	24.81	23.81	28.32	31.70	39.07	30.23	-	-	-	28.09
Single Point Supply	-	1,250	25.10	46.83	21.88	48.11	24.83	25.29	25.92	23.43	34.92	42.68	19.88	-	-	-	27.94
Agriculture Tube-wells - Tariff D	-	400	33.25	50.24	32.03	56.03	34.49	35.01	32.10	26.26	41.97	49.31	29.32	-	-	-	38.04

GENERAL SUPPLY TARIFF - RESIDENTIAL - 10/1/10

Component	File Path
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As per Authority's decision only protected residential consumers will be given the benefit of one previous slab.

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

Under tariff A-1, there shall be minimum monthly customer charge at the following rates even if no energy is consumed. For consumers whose monthly fixed charges are applicable, no minimum charges shall be applicable on such consumers, even if no energy consumed.

	Rs. 24/- per consumer per month	Rs. 180/- per consumer per month
a) Single Phase Connections		
b) Three Phase Connections		

GENERAL SUPPLY TARIFF, COMMERCIAL

[illegible]

Where Fixed Charges are applicable \$100/W/Month, the charges shall be billed based on 25% of maximum load or actual load for the month which ever is higher.

MAILING LIST FOR THE 1972-73 FISCAL YEAR

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Where Fixed Charge are applicable Rs./kW/Month, the charge shall be billed based on 20% of sanctioned Load or Actual MDI for the month which ever is higher.

INDUSTRIAL SUPPLY TARIFFS

021

Where Fixed Charges are available Rs. 100/Month, the charges shall be billed based on 25% of mentioned Load or Arithi MVA for the month which ever is higher.

155-156-157-158-159-160-161-162-163-164-165-166-167-168-169-170-171-172-173-174-175-176-177-178-179-180-181-182-183-184-185-186-187-188-189-190-191-192-193-194-195-196-197-198-199-200-201-202-203-204-205-206-207-208-209-210-211-212-213-214-215-216-217-218-219-220-221-222-223-224-225-226-227-228-229-230-231-232-233-234-235-236-237-238-239-240-241-242-243-244-245-246-247-248-249-250-251-252-253-254-255-256-257-258-259-260-261-262-263-264-265-266-267-268-269-270-271-272-273-274-275-276-277-278-279-280-281-282-283-284-285-286-287-288-289-290-291-292-293-294-295-296-297-298-299-300-301-302-303-304-305-306-307-308-309-310-311-312-313-314-315-316-317-318-319-320-321-322-323-324-325-326-327-328-329-330-331-332-333-334-335-336-337-338-339-340-341-342-343-344-345-346-347-348-349-350-351-352-353-354-355-356-357-358-359-360-361-362-363-364-365-366-367-368-369-370-371-372-373-374-375-376-377-378-379-380-381-382-383-384-385-386-387-388-389-390-391-392-393-394-395-396-397-398-399-400-401-402-403-404-405-406-407-408-409-410-411-412-413-414-415-416-417-418-419-420-421-422-423-424-425-426-427-428-429-430-431-432-433-434-435-436-437-438-439-440-441-442-443-444-445-446-447-448-449-450-451-452-453-454-455-456-457-458-459-460-461-462-463-464-465-466-467-468-469-470-471-472-473-474-475-476-477-478-479-480-481-482-483-484-485-486-487-488-489-490-491-492-493-494-495-496-497-498-499-500-501-502-503-504-505-506-507-508-509-510-511-512-513-514-515-516-517-518-519-520-521-522-523-524-525-526-527-528-529-530-531-532-533-534-535-536-537-538-539-540-541-542-543-544-545-546-547-548-549-550-551-552-553-554-555-556-557-558-559-560-561-562-563-564-565-566-567-568-569-570-571-572-573-574-575-576-577-578-579-580-581-582-583-584-585-586-587-588-589-590-591-592-593-594-595-596-597-598-599-600-601-602-603-604-605-606-607-608-609-610-611-612-613-614-615-616-617-618-619-620-621-622-623-624-625-626-627-628-629-630-631-632-633-634-635-636-637-638-639-640-641-642-643-644-645-646-647-648-649-650-651-652-653-654-655-656-657-658-659-660-661-662-663-664-665-666-667-668-669-670-671-672-673-674-675-676-677-678-679-680-681-682-683-684-685-686-687-688-689-690-691-692-693-694-695-696-697-698-699-700-701-702-703-704-705-706-707-708-709-710-711-712-713-714-715-716-717-718-719-720-721-722-723-724-725-726-727-728-729-730-731-732-733-734-735-736-737-738-739-740-741-742-743-744-745-746-747-748-749-750-751-752-753-754-755-756-757-758-759-760-761-762-763-764-765-766-767-768-769-770-771-772-773-774-775-776-777-778-779-780-781-782-783-784-785-786-787-788-789-790-791-792-793-794-795-796-797-798-799-800-801-802-803-804-805-806-807-808-809-810-811-812-813-814-815-816-817-818-819-820-821-822-823-824-825-826-827-828-829-830-831-832-833-834-835-836-837-838-839-840-841-842-843-844-845-846-847-848-849-850-851-852-853-854-855-856-857-858-859-860-861-862-863-864-865-866-867-868-869-870-871-872-873-874-875-876-877-878-879-880-881-882-883-884-885-886-887-888-889-890-891-892-893-894-895-896-897-898-899-900-901-902-903-904-905-906-907-908-909-910-911-912-913-914-915-916-917-918-919-920-921-922-923-924-925-926-927-928-929-930-931-932-933-934-935-936-937-938-939-940-941-942-943-944-945-946-947-948-949-950-951-952-953-954-955-956-957-958-959-960-961-962-963-964-965-966-967-968-969-970-971-972-973-974-975-976-977-978-979-980-981-982-983-984-985-986-987-988-989-990-991-992-993-994-995-996-997-998-999-1000-1001-1002-1003-1004-1005-1006-1007-1008-1009-1010-1011-1012-1013-1014-1015-1016-1017-1018-1019-1020-1021-1022-1023-1024-1025-1026-1027-1028-1029-1030-1031-1032-1033-1034-1035-1036-1037-1038-1039-1040-1041-1042-1043-1044-1045-1046-1047-1048-1049-1050-1051-1052-1053-1054-1055-1056-1057-1058-1059-1060-1061-1062-1063-1064-1065-1066-1067-1068-1069-1070-1071-1072-1073-1074-1075-1076-1077-1078-1079-1080-1081-1082-1083-1084-1085-1086-1087-1088-1089-1090-1091-1092-1093-1094-1095-1096-1097-1098-1099-1100-1101-1102-1103-1104-1105-1106-1107-1108-1109-1110-1111-1112-1113-1114-1115-1116-1117-1118-1119-1120-1121-1122-1123-1124-1125-1126-1127-1128-1129-1130-1131-1132-1133-1134-1135-1136-1137-1138-1139-1140-1141-1142

4.

When Flood Charges are applicable Rs./T/W/Month, the charges shall be billed based on 25% of unutilized Load or Actual MDI for the month which ever is higher.



Math. 7

15/18

SCHEDULE OF ELECTRICITY TARIFFS
NATIONAL AVERAGE UNIFORM DETERMINED TARIFF WITHOUT PTA ALONG WITH GOV APPLICABLE TARIFF
INDUSTRIAL AND AGRICULTURE TARIFF

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	UNIFORM DETERMINED TARIFF WITHOUT PTA VARIABLE CHARGES	GOV APPLICABLE VARIABLE CHARGES
		Rs. / Conn. / M.	Rs./KW/M.	Rs./kWh	Rs./kWh
D-1(a)	SCAMP less than 6 kW	-	-	32.22	39.87
D-2 (a)	Agricultural Tube Wells	-	400	34.18	38.60
D-1(b)	SCAMP 6 kW & above	-	400	34.60	42.78
D-2 (b)	Agricultural 6 kW & above	-	400	34.11	38.71
D-2(c)	For Agri. & Rural	-	400	34.38	38.84
		-	400	34.04	38.16

Under this tariff, there shall be minimum monthly charge Rs.3000/- per consumer per month, even if no energy is consumed.
 Note:- The consumer having contracted load less than 6 kW can opt for TDU metering.

TEMPORARY SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	UNIFORM DETERMINED TARIFF WITHOUT PTA VARIABLE CHARGES	GOV APPLICABLE VARIABLE CHARGES
		Rs. / Conn. / M.	Rs./KW/M.	Rs./kWh	Rs./kWh
B-1(a)	Residential Supply	2,000	-	33.90	37.94
B-1(b)	Commercial Supply	5,000	-	34.22	39.44
B-2	Industrial Supply	5,000	-	34.08	42.28

SEASONAL INDUSTRIAL SUPPLY TARIFF

125% of relevant industrial tariff
 Note: Tariff 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.

PUBLIC LIGHTING TARIFF

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	UNIFORM DETERMINED TARIFF WITHOUT PTA VARIABLE CHARGES	GOV APPLICABLE VARIABLE CHARGES
		Rs. / Conn. / M.	Rs./KW/M.	Rs./kWh	Rs./kWh
	Street Lighting	3,000	-	32.22	42.81

RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES TARIFF

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	UNIFORM DETERMINED TARIFF WITHOUT PTA VARIABLE CHARGES	GOV APPLICABLE VARIABLE CHARGES
		Rs. / Conn. / M.	Rs./KW/M.	Rs./kWh	Rs./kWh
	Residential Colonies attached to Industrial Premises	2,000	-	33.90	42.10

SPECIAL CONTRACT TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	UNIFORM DETERMINED TARIFF WITHOUT PTA VARIABLE CHARGES	GOV APPLICABLE VARIABLE CHARGES
		Rs. / Conn. / M.	Rs./KW/M.	Rs./kWh	Rs./kWh
1	Asad Jammal & Kachhro (AJK)	-	1,250	35.02	38.49
	Time Of Use	-	1,250	35.02	38.83
2	Rawal Pk	2,000	-	34.26	42.36

RAILWAY TRACTION TARIFF

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	UNIFORM DETERMINED TARIFF WITHOUT PTA VARIABLE CHARGES	GOV APPLICABLE VARIABLE CHARGES
		Rs. / Conn. / M.	Rs./KW/M.	Rs./kWh	Rs./kWh
	Railway Traction	2,000	-	34.01	42.58



16/10

GoP Applicable Schedule of Tariff for K-Electric Consumers

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

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

Upto 50 Units (Lifeline)	-	-	3.95
50-100 Units (Lifeline)	-	-	7.74
1-100 units (Protected)	-	-	10.54
101-200 units (Protected)	-	-	13.01
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	-	-	40.53
E-1 (i) Temporary Residential	2,000	-	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	-	-	27.13
Off-Peak	-	1,250	27.13
E-2 (i) Temporary Industrial	5,000	-	42.25

Wab. 7



17/18

GoP Applicable Schedule of Tariff for K-Electric Consumers

GoP Applicable Uniform

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

D - Agriculture Tariff

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

sub-total

G - Public Lighting

Street Lighting	2,000	-	42.91
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H - Residential Colonies

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





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, E-mail: 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
(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, 8th Floor, EFU House, Main Gulberg, Jail Road, Lahore
4. Managing Director, National Grid Company (NGC) of Pakistan, 414 WAPDA House, Shaharah-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-624/MEPCO-Distribution/2025

DETERMINATION OF DISTRIBUTION TARIFF PETITION

FOR

MULTAN ELECTRIC POWER COMPANY LIMITED (MEPCO)

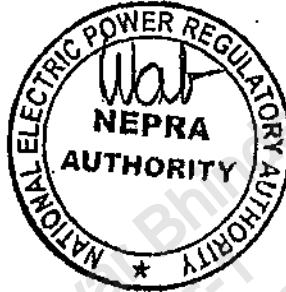
FOR THE FY 2025-26 – FY 2029-30

UNDER

NEPRA TARIFF (STANDARDS AND PROCEDURE) RULES - 1998

Islamabad

JANUARY 07, 2026

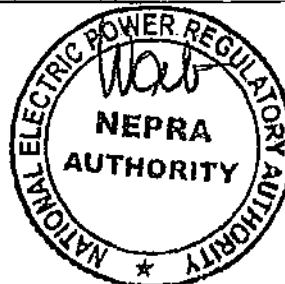


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Abbreviations

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



J. Malik



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



9 March



**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



Wahid



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 1st July 2021 till 30th 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;

		FY2025-26	FY2026-27	FY2027-28	FY2028-29	FY2029-30
Margin						
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	31,979
ERP	Rs. Mln	17	21	23	24	25
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
Total O&M Costs	Rs. Mln	55,501	60,949	69,093	84,943	82,418
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
Gross Distribution Margin	Rs. Mln	80,725	91,082	103,851	123,129	123,411
Less: Other Income	Rs. Mln	(8,731)	(9,213)	(9,701)	(10,193)	(10,641)
Net Distribution Margin	Rs. Mln	71,994	81,869	94,150	112,936	112,770
Prior Year Adjustment	Rs. Mln	20,494				
Total Revenue Requirement	Rs. Mln	92,488	81,869	94,150	112,936	112,770
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



9 haw



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;

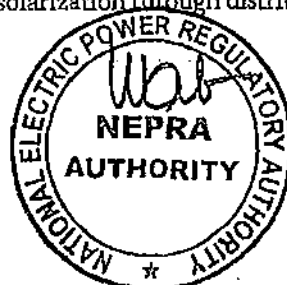
- i. Whether the request of Petitioner to allow MYT for a period of five years is justified, considering the fact that distribution license is valid till April 2022?
- ii. Whether the projected energy purchases and sales are justified?
- iii. Whether the requested/projected O&M cost (including new/replacement 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, Deprecations 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 MEPCO'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 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 MEPCO network.

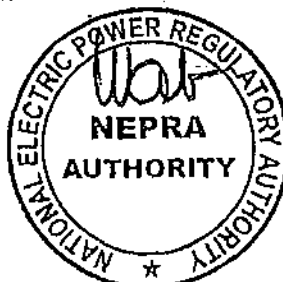
Projected Increase in No. of Consumers					
Consumer Category	2025-26	2026-27	2027-28	2028-29	2029-30
Residential	553,311	591,346	631,995	675,439	721,869
Commercial	27,624	28,744	29,909	31,122	32,384
Industrial	1,428	1,461	1,494	1,527	1,563
Bulk supply	34	37	39	42	45
Agriculture	7,108	7,549	8,017	8,514	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

Demand Growth Projection				
F.Y.	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



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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;

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
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/revise 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	374	70	60	70	50
BPS 7	115	35	25	30	25
BPS 9	205	110	80	100	75
BPS 11	102	70	80	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

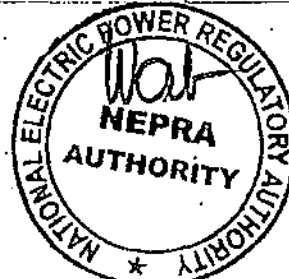
Staff Retirement Benefits:

- ✓ 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	Total		
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	8,668	6,322	(2,346)
2014-15	8,630	3,814	12,444	6,649	(5,795)
Total	32,946	16,749	49,695	33,531	(16,164)

- ✓ 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)



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

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 31st 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:

- ✓ 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 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, 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 2026-27	FY 2026-27	FY 2026-27
	Interim Tariff	Projected	Projected Per Unit	Projected	Projected	Projected	Projected
Repair & Maintenance (DOP)	2,262	2,387	0.14	2,651	2,911	3,270	3,632
Repair & Maintenance (SOP)	-	50	0	56	63	69	76
Total Repair & Maintenance	2,262	2,437	0.14	2,707	3,005	3,339	3,708
Travelling Expense (DOP)	1,656	1,649	0.1	2,053	2,451	2,961	3,605
Travelling Expense (SOP)	302	217	0.01	300	339	433	527
Total Travelling Expense	1,798	1,836	0.11	2,353	2,813	3,394	4,132
Transportation Expense (DOP)	754	1,116	0.06	1,219	1,453	1,718	2,078
Transportation Expense (SOP)	-	45	0	50	58	70	81
Total Transportation Expense	754	1,161	0.07	1,269	1,511	1,788	2,159
Misc. O&M Expenses (DOP)	1,091	1,876	0.11	2,084	2,313	2,567	2,819
Misc. O&M Expenses (SOP)	2,232	4063	0.24	4518	5010	5560	6170
Total Misc. O&M Expenses	3,323	5,939	0.35	6,602	7,323	8,127	9,019
O&M Cost Excl. Employee Cost (DOP)	5,573	7,668	0.41	8,077	9,164	10,526	12,161
O&M Cost Excl. Employee Cost (SOP)	2,561	4,405	0.26	4,923	5,489	6,132	6,857
Total O&M Cost Excl. Employee Cost	8,134	12,073	0.67	12,919	14,653	16,658	19,018
Repair & Maintenance (DOP)	2,262	2,387	0.14	2,651	2,911	3,270	3,632
Repair & Maintenance (SOP)	-	50	0	56	63	69	76
Total Repair & Maintenance	2,262	2,437	0.14	2,707	3,005	3,339	3,708
Travelling Expense (DOP)	1,656	1,649	0.1	2,053	2,451	2,961	3,605
Travelling Expense (SOP)	302	217	0.01	300	339	433	527
Total Travelling Expense	1,798	1,836	0.11	2,353	2,813	3,394	4,132
Transportation Expense (DOP)	754	1,116	0.06	1,219	1,453	1,718	2,078
Transportation Expense (SOP)	-	45	0	50	58	70	81
Total Transportation Expense	754	1,161	0.07	1,269	1,511	1,788	2,159
Misc. O&M Expenses (DOP)	1,091	1,876	0.11	2,084	2,313	2,567	2,819
Misc. O&M Expenses (SOP)	2,232	4063	0.24	4518	5010	5560	6170
Total Misc. O&M Expenses	3,323	5,939	0.35	6,602	7,323	8,127	9,019
O&M Cost Excl. Employee Cost (DOP)	5,573	7,668	0.41	8,077	9,164	10,526	12,161
O&M Cost Excl. Employee Cost (SOP)	2,561	4,405	0.26	4,923	5,489	6,132	6,857
Total O&M Cost Excl. Employee Cost	8,134	12,073	0.67	12,919	14,653	16,658	19,018
Total O&M Cost (DOP)	41,379	48,671	2.81	55,390	60,377	71,913	71,372
Total O&M Cost (SOP)	10,578	13,373	0.78	14,741	16,559	19,885	19,633
G.Total O&M Cost	51,957	62,044	3.6	70,131	76,937	91,798	91,006

- ✓ 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 Litter
POL Rates June-2025	Rs. 258.16 Per Litter
Increase in Rates Amount	Rs. 158.06 Per Litter
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 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.



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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 2nd 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 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.



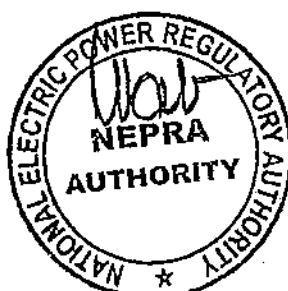
- 8.14. The assessed Salaries & Wages costs for the FY 2025-26, amounting to Rs. 16,880 million, shall be considered as the reference cost for future adjustment/ indexation of Salaries & Wages expenses, during the remaining tariff control period as per the mechanism specified in the instant determination.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



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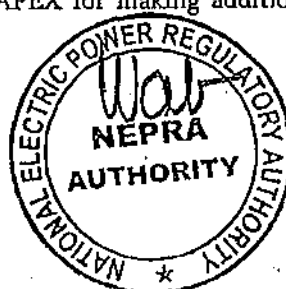
- 8.19. In compliance with the Authority's direction, the Petitioner has created a separate Fund for its post-retirement benefits and provided following details of its pension fund balance and Payments made thereof;

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	660,129,103
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	4,287,125,502
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,



J. Malik



- 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.



F. Motiw

- 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, Deprecations 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

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

$$DEP(Rev) = DEP(Ref) * GFAIO(Rev) / GFAIO(Ref)$$

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

- 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



rebasings 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 13th 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 Determined	FY 2024-25 Audited	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected
Gross Fixed Assets - Opening Bal	188,137	203,738	231,691	270,209	313,389	351,400	387,492
Addition in Fixed Assets	10,735	31,738	39,518	43,180	38,012	38,092	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	39,430	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	85,488	84,575	90,650	98,348	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	80,794	81,585	115,808	147,749	171,578	187,367	189,356
Rate of Return/WACC	21.14	21.14	14.08	13.36	13.39	13.38	13.36
Return on Rate Base	12,852	17,247	16,281	19,737	22,920	25,029	26,630

Description	FY 2024-25 Determined	FY 2024-25 Actual/ Proj.	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 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	13.06	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

β is Beta

The cost of debt:

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

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

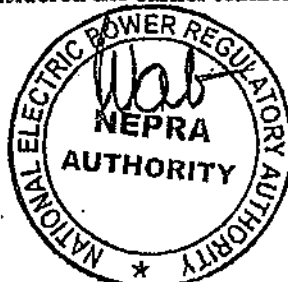
$$\text{WACC} = (K_e \times (E / V)) + (K_d \times (D / V))$$

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;

$K_e = 14.47\%$

The cost of debt is;

$K_d = 12.64\%$

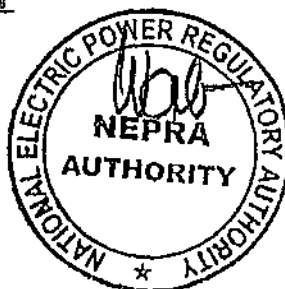
$WACC = ((K_e \times (E / V)) + (K_d \times (D / V)))$

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 O/B	203,697	235,395
Addition	31,738	23,870
Fixed Assets C/O	235,395	259,265
Depreciation	82,904	91,343
Net Fixed Assets	152,491	167,922
Capital WIP C/O	18,175	12,378
Fixed Assets Inc. WIP	170,666	180,300
Less: Deferred Credits	86,488	93,839
Total	84,178	86,461
RAB	85,270	
WACC	13.19%	
RoRB	11,249	



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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.

The detail of other income is as under.

Other Income Break-Up	(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	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
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 tried 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?

- 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
01	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 Other Income	Annually
06	Prior Year Adjustment	Annually
07	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	$OI_{(Rev)} = OI_{(Ref)} \times OI_{(Rev)} / OI_{(Ref)}$

- 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 tried-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

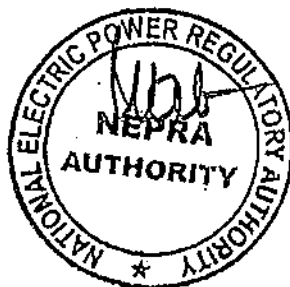
Efficiency Factor (X)



- 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 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 3rd 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.



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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 x [1+(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 allowed if DISCOs get privatized.	
The allowed amount for FY 2025-26, may be actualized based on Audited accounts 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.) x [1 + (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 3rd year of the MYT control period. The Adjustment mechanism would be as under;

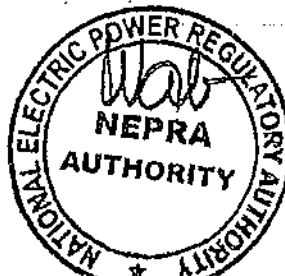
O & M (Rev) = O & M (Ref.) x [1 + (NCPI-X)]

Where

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

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

Δ 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.

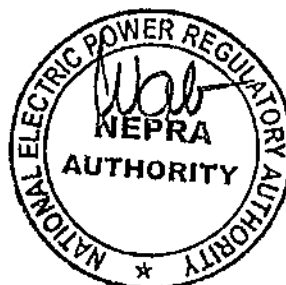
X = Efficiency factor i.e. 30% of NCPI relevant for indexation purpose

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



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12. Depreciation Expenses

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

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

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.	

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;





Distribution Working Capital	MEPCO	MEPCO	MEPCO
Stores and Spares (3% of GFA)	3%	3%	7,778
Trade debt (30 days of Revenue Receivable)	30	0.08	4,774
Total Current Assets			12,552
Current Liabilities	2/3	66.67%	8,368
Working Capital Requirement			4,184
Less Receipt Against Deposit Work			28,075
Net Working Capital			(23,891)
Cost of debt local			12.00%
Working Capital Cost			(2,867)

- 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

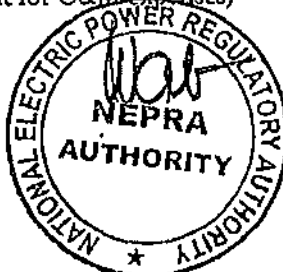
-Working capital requirement shall be calculated based on assessed revenue requirement under each head for relevant year.

- 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)



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Current liabilities

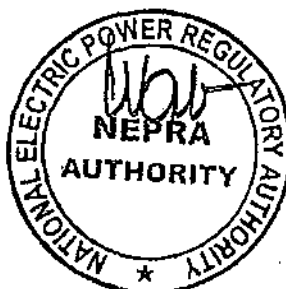
- 2/3rd of aforementioned current assets (Receivables + Stores & spares + Cash)
- Receipt against deposit work figure will be actualized based Audited Financial statement initially and finally based on third party evaluation.

Any other amount retained by the Petitioner

- 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:

Prior Year Adjustment (PYA)		(PKR Million)	
Sr. No.	Description	FY 2023-26	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:



9 March



- ✓ 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 Note



- ✓ 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	410	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. IT2024123101011857636
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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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)	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	

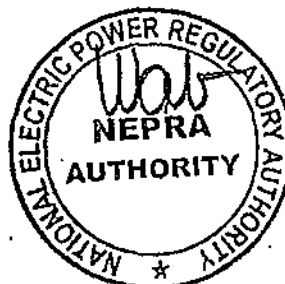
- ✓ The Authority is requested to allow Rs. 4,041 (M) on account of Turnover Tax during FY 2025-26 as PYA.
- ✓ Further apprised that quarterly installment due in four quarters of FY 2025-26 as per ADRC decision, have been claimed as PYA as summarized below:

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:



7 Mar



- ✓ 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:

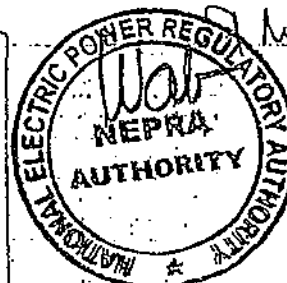
"It is proposed that 2,368 Pensioners of GENCOs may be adjusted in their pension disbursing DISCOs or WAPDA. Similarly, 1,753 employees of these plants would be adjusted in DISCOs. Pensions of these employees will be paid by the relevant DISCOs on their retirement according to rules of the relevant DISCOs. 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:

Bifurcation of PYA		Rs. In Million					
Sr. No.	Description	FY 2025-26			FY 2026-27		
		DOP	SOP	Total	DOP	SOP	Total
1	Sales Mix Variance FY 2022-23		4,898	4,898			
2	Under/Over Recovery of Quarterly Adjustments		6,826	6,826			
3	Under/Over Recovery of DAM	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 UMPL 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	4,057			
	Total	29,494	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)	28,395
Write Off Bad Debts	4,450
Total	87,784

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	8,828	4,924
3	Under/Over Recovery of DM	7,187	5,939
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	3,280	3,280
7	Turnover Tax (Payment made under ADRG Order)	4,041	4,041
8	PRB Liability	19,283	-
9	Quarterly Adjustments UMPL Incremental Units 2021-22	821	-
10	Quarterly Adjustments Incremental Units	2,188	-
11	Financing of Delayed PPP Quarterly Adj.	8,838	-
12	Differential of WHIT/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
	Total	59,454	20,951

Description	Amount
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 2023-24	
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
Total Under/(Over) Recovery	6,826



S. M. Khan



*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
<u>DM Recovered</u>			
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	
Depreciation	
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 True Up	
9,022	

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. IT2023122801011694768 & CPR No. IT202312301011717804
3rd QTR 2023-24	1,000	CPR No. IT20230901011868889
4th QTR 2023-24	2,412	CPR No. IT2024082801011988802
Payment with Return 2024	587	CPR No. IT2024123101011857038
Total:	5,587	



7 March



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

Turnover Tariff FY 2024-25		
Description	Amount (in Million)	Remarks
1st QTR 2024-25	2,117	CPR No. JT2024092401011704844 & CPR No. JT2024092401011705381
2nd QTR 2024-25	1,143	CPR No. JT2024122601011715489 & CPR No. JT2024122601011715485
Total:	3,260	

Turnover Tariff 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
TOTAL		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	3,762	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)	(188)
	2nd	15,287	15,293	54
Total		88,614	86,448	2,166

Financing of Delayed PPP Quarterly Adjustments									
Period	Submission Date	Determination Due Date	REVENUE (in Million)	Debt (in Million)	Accrual (in Million)	GRAND TOTAL	GRAND TOTAL	GRAND TOTAL	GRAND TOTAL
1st Quarterly Adjustment FY 2016-17	11-05-16	12-07-17	16,367.1	16,367.1	7	17,641.2	25,110.7	9.59	
2nd Quarterly Adjustment FY 2016-17	02-08-17	31-07-17	16,363.55	4	16,145	17,807.55	20,224	6.16	
3rd Quarterly Adjustment FY 2016-17	05-05-19	23-03-19	16,363.19	4	16,145	17,825.5	21,233	15.7	
4th Quarterly Adjustment FY 2016-17	21-03-19	01-04-19	16,356.19	4	16,145	17,805.7	22,507		
1st Quarterly Adjustment FY 2017-18	17-03-17	16-03-17	16,356.19	4	16,145	17,805.7	23,759.7		
2nd Quarterly Adjustment FY 2017-18	09-06-17	29-05-17	16,356.19	4	16,145	17,805.7	25,011.7		
3rd Quarterly Adjustment FY 2017-18	18-05-18	29-05-18	16,356.19	4	16,145	17,805.7	26,263.7		
4th Quarterly Adjustment FY 2017-18	20-05-18	29-05-18	16,356.19	4	16,145	17,805.7	27,515.7		
1st Quarterly Adjustment FY 2018-19	13-05-18	31-05-18	16,356.19	4	16,145	17,805.7	28,767.7		
2nd Quarterly Adjustment FY 2018-19	13-05-18	31-05-18	16,356.19	4	16,145	17,805.7	30,019.7		
3rd Quarterly Adjustment FY 2018-19	13-05-18	31-05-18	16,356.19	4	16,145	17,805.7	31,271.7		
4th Quarterly Adjustment FY 2018-19	13-05-18	31-05-18	16,356.19	4	16,145	17,805.7	32,523.7		
1st Quarterly Adjustment FY 2019-20	13-05-19	31-05-19	16,356.19	4	16,145	17,805.7	33,775.7		
2nd Quarterly Adjustment FY 2019-20	13-05-19	31-05-19	16,356.19	4	16,145	17,805.7	35,027.7		
3rd Quarterly Adjustment FY 2019-20	13-05-19	31-05-19	16,356.19	4	16,145	17,805.7	36,279.7		
4th Quarterly Adjustment FY 2019-20	13-05-19	31-05-19	16,356.19	4	16,145	17,805.7	37,531.7		
1st Quarterly Adjustment FY 2020-21	13-05-20	31-05-20	16,356.19	4	16,145	17,805.7	38,783.7		
2nd Quarterly Adjustment FY 2020-21	13-05-20	31-05-20	16,356.19	4	16,145	17,805.7	40,035.7		
3rd Quarterly Adjustment FY 2020-21	13-05-20	31-05-20	16,356.19	4	16,145	17,805.7	41,287.7		
4th Quarterly Adjustment FY 2020-21	13-05-20	31-05-20	16,356.19	4	16,145	17,805.7	42,539.7		
1st Quarterly Adjustment FY 2021-22	13-05-21	31-05-21	16,356.19	4	16,145	17,805.7	43,791.7		
2nd Quarterly Adjustment FY 2021-22	13-05-21	31-05-21	16,356.19	4	16,145	17,805.7	45,043.7		
3rd Quarterly Adjustment FY 2021-22	13-05-21	31-05-21	16,356.19	4	16,145	17,805.7	46,295.7		
4th Quarterly Adjustment FY 2021-22	13-05-21	31-05-21	16,356.19	4	16,145	17,805.7	47,547.7		
1st Quarterly Adjustment FY 2022-23	13-05-22	31-05-22	16,356.19	4	16,145	17,805.7	48,799.7		
2nd Quarterly Adjustment FY 2022-23	13-05-22	31-05-22	16,356.19	4	16,145	17,805.7	50,051.7		
3rd Quarterly Adjustment FY 2022-23	13-05-22	31-05-22	16,356.19	4	16,145	17,805.7	51,303.7		
4th Quarterly Adjustment FY 2022-23	13-05-22	31-05-22	16,356.19	4	16,145	17,805.7	52,555.7		
1st Quarterly Adjustment FY 2023-24	13-05-23	31-05-23	16,356.19	4	16,145	17,805.7	53,807.7		
2nd Quarterly Adjustment FY 2023-24	13-05-23	31-05-23	16,356.19	4	16,145	17,805.7	55,059.7		
3rd Quarterly Adjustment FY 2023-24	13-05-23	31-05-23	16,356.19	4	16,145	17,805.7	56,311.7		
4th Quarterly Adjustment FY 2023-24	13-05-23	31-05-23	16,356.19	4	16,145	17,805.7	57,563.7		
1st Quarterly Adjustment FY 2024-25	13-05-24	31-05-24	16,356.19	4	16,145	17,805.7	58,815.7		
2nd Quarterly Adjustment FY 2024-25	13-05-24	31-05-24	16,356.19	4	16,145	17,805.7	60,067.7		
3rd Quarterly Adjustment FY 2024-25	13-05-24	31-05-24	16,356.19	4	16,145	17,805.7	61,319.7		
4th Quarterly Adjustment FY 2024-25	13-05-24	31-05-24	16,356.19	4	16,145	17,805.7	62,571.7		
1st Quarterly Adjustment FY 2025-26	13-05-25	31-05-25	16,356.19	4	16,145	17,805.7	63,823.7		
2nd Quarterly Adjustment FY 2025-26	13-05-25	31-05-25	16,356.19	4	16,145	17,805.7	65,075.7		
3rd Quarterly Adjustment FY 2025-26	13-05-25	31-05-25	16,356.19	4	16,145	17,805.7	66,327.7		
4th Quarterly Adjustment FY 2025-26	13-05-25	31-05-25	16,356.19	4	16,145	17,805.7	67,579.7		
1st Quarterly Adjustment FY 2026-27	13-05-26	31-05-26	16,356.19	4	16,145	17,805.7	68,831.7		
2nd Quarterly Adjustment FY 2026-27	13-05-26	31-05-26	16,356.19	4	16,145	17,805.7	70,083.7		
3rd Quarterly Adjustment FY 2026-27	13-05-26	31-05-26	16,356.19	4	16,145	17,805.7	71,335.7		
4th Quarterly Adjustment FY 2026-27	13-05-26	31-05-26	16,356.19	4	16,145	17,805.7	72,587.7		
1st Quarterly Adjustment FY 2027-28	13-05-27	31-05-27	16,356.19	4	16,145	17,805.7	73,839.7		
2nd Quarterly Adjustment FY 2027-28	13-05-27	31-05-27	16,356.19	4	16,145	17,805.7	75,091.7		
3rd Quarterly Adjustment FY 2027-28	13-05-27	31-05-27	16,356.19	4	16,145	17,805.7	76,343.7		
4th Quarterly Adjustment FY 2027-28	13-05-27	31-05-27	16,356.19	4	16,145	17,805.7	77,595.7		
1st Quarterly Adjustment FY 2028-29	13-05-28	31-05-28	16,356.19	4	16,145	17,805.7	78,847.7		
2nd Quarterly Adjustment FY 2028-29	13-05-28	31-05-28	16,356.19	4	16,145	17,805.7	80,099.7		
3rd Quarterly Adjustment FY 2028-29	13-05-28	31-05-28	16,356.19	4	16,145	17,805.7	81,351.7		
4th Quarterly Adjustment FY 2028-29	13-05-28	31-05-28	16,356.19	4	16,145	17,805.7	82,603.7		
1st Quarterly Adjustment FY 2029-30	13-05-29	31-05-29	16,356.19	4	16,145	17,805.7	83,855.7		
2nd Quarterly Adjustment FY 2029-30	13-05-29	31-05-29	16,356.19	4	16,145	17,805.7	85,107.7		
3rd Quarterly Adjustment FY 2029-30	13-05-29	31-05-29	16,356.19	4	16,145	17,805.7	86,359.7		
4th Quarterly Adjustment FY 2029-30	13-05-29	31-05-29	16,356.19	4	16,145	17,805.7	87,611.7		
1st Quarterly Adjustment FY 2030-31	13-05-30	31-05-30	16,356.19	4	16,145	17,805.7	88,863.7		
2nd Quarterly Adjustment FY 2030-31	13-05-30	31-05-30	16,356.19	4	16,145	17,805.7	90,115.7		
3rd Quarterly Adjustment FY 2030-31	13-05-30	31-05-30	16,356.19	4	16,145	17,805.7	91,367.7		
4th Quarterly Adjustment FY 2030-31	13-05-30	31-05-30	16,356.19	4	16,145	17,805.7	92,619.7		
1st Quarterly Adjustment FY 2031-32	13-05-31	31-05-31	16,356.19	4	16,145	17,805.7	93,871.7		
2nd Quarterly Adjustment FY 2031-32	13-05-31	31-05-31	16,356.19	4	16,145	17,805.7	95,123.7		
3rd Quarterly Adjustment FY 2031-32	13-05-31	31-05-31	16,356.19	4	16,145	17,805.7	96,375.7		
4th Quarterly Adjustment FY 2031-32	13-05-31	31-05-31	16,356.19	4	16,145	17,805.7	97,627.7		
1st Quarterly Adjustment FY 2032-33	13-05-32	31-05-32	16,356.19	4	16,145	17,805.7	98,879.7		
2nd Quarterly Adjustment FY 2032-33	13-05-32	31-05-32	16,356.19	4	16,145	17,805.7	100,131.7		
3rd Quarterly Adjustment FY 2032-33	13-05-32	31-05-32	16,356.19	4	16,145	17,805.7	101,383.7		
4th Quarterly Adjustment FY 2032-33	13-05-32	31-05-32	16,356.19	4	16,145	17,805.7	102,635.7		
1st Quarterly Adjustment FY 2033-34	13-05-33	31-05-33	16,356.19	4	16,145	17,805.7	103,887.7		
2nd Quarterly Adjustment FY 2033-34	13-05-33	31-05-33	16,356.19	4	16,145	17,805.7	105,139.7		
3rd Quarterly Adjustment FY 2033-34	13-05-33	31-05-33	16,356.19	4	16,145	17,805.7	106,391.7		
4th Quarterly Adjustment FY 2033-34	13-05-33	31-05-33	16,356.19	4	16,145	17,805.7	107,643.7		
1st Quarterly Adjustment FY 2034-35	13-05-34	31-05-34	16,356.19	4	16,145	17,805.7	108,895.7		
2nd Quarterly Adjustment FY 2034-35	13-05-34	31-05-34	16,356.19	4	16,145	17,805.7	110,147.7		
3rd Quarterly Adjustment FY 2034-35	13-05-34	31-05-34	16,356.19	4	16,145	17,805.7	111,399.7		
4th Quarterly Adjustment FY 2034-35	13-05-34	31-05-34	16,356.19	4	16,145	17,805.7	112,651.7		
1st Quarterly Adjustment FY 2035-36	13-05-35	31-05-35	16,356.19	4	16,145	17,805.7	113,903.7		
2nd Quarterly Adjustment FY 2035-36	13-05-35	31-05-35	16,356.19	4	16,145	17,805.7	115,155.7		
3rd Quarterly Adjustment FY 2035-36	13-05-35	31-05-35	16,356.19	4	16,145	17,805.7	116,407.7		
4th Quarterly Adjustment FY 2035-36	13-05-35	31-05-35	16,356.19	4	16,145	17,805.7	117,659.7		
1st Quarterly Adjustment FY 2036-37	13-05-36	31-05-36	16,356.19	4	16,145	17,805.7	118,911.7		
2nd Quarterly Adjustment FY 2036-37	13-05-36	31-05-36	16,356.19	4	16,145	17,805.7	120,163.7		
3rd Quarterly Adjustment FY 2036-37	13-05-36	31-05-36	16,356.19	4	16,145	17,805.7	121,415.7		
4th Quarterly Adjustment FY 2036-37	13-05-36	31-05-36	16,356.19	4	16,145	17,805.7	122,667.7		
1st Quarterly Adjustment FY 2037-38	13-05-37	31-05-37	16,356.19	4	16,145	17,805.7	123,919.7		
2nd Quarterly Adjustment FY 2037-38	13-05-37	31-05-37	16,356.19	4	16,145	17,805.7	125,171.7		
3rd Quarterly Adjustment FY 2037-38	13-05-37	31-05-37	16,356.19	4	16,145	17,805.7	126,423.7		
4th Quarterly Adjustment FY 2037-38	13-05-37	31-05-37	16,356.19	4	16,145	17,805.7	127,675.7		
1st Quarterly Adjustment FY 2038-39	13-05-38	31-05-38	16,356.19	4	16,145	17,805.7	128,927.7		
2nd Quarterly Adjustment FY 2038-39	13-05-38	31-05-38	16,356.19	4	16,145	17,805.7	130,179.7		
3rd Quarterly Adjustment FY 2038-39	13-05-38	31-05-38	16,356.19	4	16,145	17,805.7	131,431.7		
4th Quarterly Adjustment FY 2038-39	13-05-38	31-05-38	16,356.19	4	16,145	17,805.7	132,683.7		
1st Quarterly Adjustment FY 2039-40	13-05-39	31-05-39	16,356.19	4	16,145	17,805.7	133,935.7		
2nd Quarterly Adjustment FY 2039-40	13-05-39	31-05-39	16,356.19	4	16,145	17,805.7	135,187.7		
3rd Quarterly Adjustment FY 2039-40	13-05-39	31-05-39	16,356.19	4	16,145	17,805.7	136,439.7		
4th Quarterly Adjustment FY 2039-40	13-05-39	31-05-39	16,356.19	4	16,145	17,805.7	137,691.7		
1st Quarterly Adjustment FY 2040-41	13-05-40	31-05-40	16,356.19	4	16,145	17,805.7	138,943.7		
2nd Quarterly Adjustment FY 2040-41	13-05-40	31-05-40	16,356.19	4	16,145	17,805.7	140,195.7		
3rd Quarterly Adjustment FY 2040-41	13-05-40	31-05-40	16,356.19	4	16,145	17,805.7	141,447.7		
4th Quarterly Adjustment FY 2040-41	13-05-40	31-05-40	16,356.19	4	16,145	17,805.7	142,699.7		
1st Quarterly Adjustment FY 2041-42	13-05-41	31-05-41	16,356.19	4	16,145	17,805.7	143,951.7		
2nd Quarterly Adjustment FY 2041-42	13-05-41	31-05-41	16,356.19	4	16,145	17,805.7	145,203.7		
3rd Quarterly Adjustment FY 2041-42	13-05-41	31-05-41	16,356.19	4	16,145	17,805.7	146,455.7		
4th Quarterly Adjustment FY 2041-42	13-05-41	31-05-41	16,356.19	4	16,145	17,805.7	147,707.7		
1st Quarterly Adjustment FY 2042-43	13-05-42	31-05-42	16,356.19	4	16,145	17,805.7	148,959.7		
2nd Quarterly Adjustment FY 2042-43	13-05-42	31-05-42	16,356.19	4	16,145	17,805.7	150,211.7		
3rd Quarterly Adjustment FY 2042-43	13-05-42	31-05-42	16,356.19	4	16,145	17,805.7	151,463.7		
4th Quarterly Adjustment FY 2042-43	13-05-42	31-05-42	16,356.19	4	16,145	17,805.7	152,715.7		
1st Quarterly Adjustment FY 204									



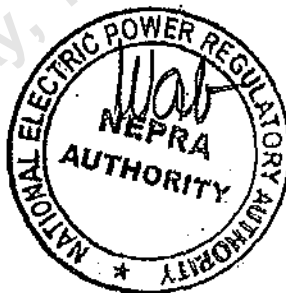
True-Ups FY 2024-25	
Description	Rs. in Million
Depreciation	
Allowed	8,022
Actual	7,488
Under/(Over) Recovery	866
RoRB (Investment + KIBOR)	
Allowed	12,852
Actual	17,247
Under/(Over) Recovery	4,395
Other Income	
Allowed	(7,408)
Actual	(9,910)
Under/(Over) Recovery	(2,802)
Total True Ups	2,459

D.M. Under/(Over) Recovery	
Description	Rs. in Million
DM Allowed FY 2024-25	56,903
DM Recovered	
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
Under/(Over) Recovered DM	6,851

Under/(Over) Recovery of QTA Adjustments	
Description	Rs. in Million
4th Qtr FY 2022-23	
Allowed Amount	25,330
Qtr. Rs/kWh	3,9856
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)
Total Under/(Over) Recovery	(539)

Note: Under/(Over) Recovery of 4th Quarter of FY 2022-23 QTA was requested vide 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;



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
Total	19,739

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 31st 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 1st 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

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 1st 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 1st 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 1st 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	
Gross Distribution Margin	49,779
Less: Other Income	(4,607)
Net Distribution Margin	45,171
PYA	
Total	45,171

- 16.9. The Authority has considered the guidelines issued by the Federal Government regarding tariff rebasing to be made effective from 1st 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:

MEPCO Provisional Revenue Requirement for the period from July 1, 2026 to December 31, 2026	
Rs. (Mn. Rs.)	
Pay & Allowances	10,804
Post Retirement Benefits	13,922
Repair & Maintenance	1,117
Traveling Allowance	681
Vehicle maintenance	394
Other expenses	1,802
O&M Cost	(Mn. Rs.) 19,720
Depreciation	4,518
RORB	5,095
O.Income	(4,366)
Margin	(Mn. Rs.) 15,767

- 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





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 Tariff 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
	Unit	DOP	DOP
Units Received	(MkWh)		18,427
Units Sold	(MkWh)		16,337
Units Lost	(MkWh)		2,090
Units Lost	(%)		11.34%
Energy Charge			
Capacity Charge			
Transmission Charge & Market			
Operation Fee			
Power Purchase Price	(Mln. Rs.)		
Wire Business Margin			
Power Purchase Price with Wire	(Mln. Rs.)		
Business			
Pay & Allowances		16,880	16,780
P.M Assistance Package			
Post Retirement Benefits		20,756	22,378
Repair & Maintenance		2,062	1,998
Traveling allowance		1,002	800
Vehicle maintenance		579	578
Other expenses		2,796	2,926
O&M Cost	(Mln. Rs.)	24,074	25,682
Depreciation		8,270	9,011
RORB		11,021	10,490
O.Income		(3,056)	(2,987)
Margin	(Mln. Rs.)	60,310	61,974
Prior Year Adjustment			
Working Capital	(Mln. Rs.)		(2,867)
Revenue Requirement	(Mln. Rs.)	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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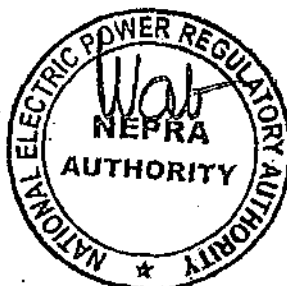
- 17.3. The Petitioner is directed to follow the following time lines for submission of its future indexation/adjustment during the MYT control period;

Description	ADJUSTMENTS/ INDEXATION	TIME LINES
Salaries, Wages & Benefits	Annually as per the mechanism given in the decision	Request to be submitted by Petitioner in end of July of every year, so that adjustment / indexation for the next year is determined in timely manner.
Post-retirement Benefit		
Other operating expenses		
Depreciation		
Return on Regulatory Asset Base		
Other Income	Annually as per the mechanism given in the decision	
Prior Year Adjustment		
KBOR	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;
- Provide year wise detail of amounts deposited in the Fund, amount withdrawn along-with profit/interest earned thereon since creation of Fund each year.
 - Provide the amount of IDC capitalized with its subsequent adjustment request and reflect the same in its Audited Financial Statements each year.
 - ensure that by the time it files its next tariff petition/ adjustment request, MDI for all consumers at all levels is properly recorded.
 - provide a certification from its Auditors that Repair and Maintenance expenditure does not include any CAPEX nature item.

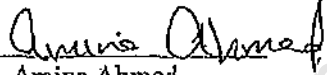



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19. The Determination of the Authority, is hereby intimated to the Federal Government for filing of uniform tariff application in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.
20. The 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



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, E-mail: 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
(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, 8th Floor, EFU House, Main Gulberg, Jail Road, Lahore
4. Managing Director, National Grid Company (NGC) of Pakistan, 414 WAPDA House, Shaharah-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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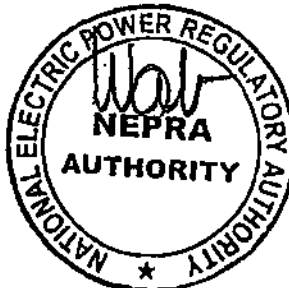
Abbreviations

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
GDP	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



Wahid



**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

Muhammad 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 1st July 2021 till 30th 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;

Power Purchase Price						
	Rs. Min	549,383	548,810	550,210	552,578	555,611
Energy Charges	Rs. Min	178,893	178,706	179,158	179,923	180,907
Capacity Charges	Rs. Min	342,676	342,319	343,195	344,677	346,572
Use of System Charges	Rs. Min	27,676	27,647	27,718	27,839	27,992
Market Operator Fee	Rs. Min	138	138	139	139	140
Distribution Business Cost						
	Rs. Min	92,488	81,869	94,150	112,936	112,770
Supply Business Cost						
Pay & Allowances	Rs. Min	1,403	1,616	1,873	2,183	2,568
Post-retirement Benefits	Rs. Min	1,848	1,936	2,150	2,813	2,148
Repairs and Maintenance	Rs. Min	50	56	62	69	76
Travelling expenses	Rs. Min	247	300	359	433	527
Vehicle expenses	Rs. Min	45	50	58	70	84
Other expense	Rs. Min	4,063	4,516	5,010	5,550	6,170
Total O&M Costs	Rs. Min	7,656	8,474	9,512	11,128	11,573
Depreciation	Rs. Min					
Return on Rate Base	Rs. Min					
Gross Margin	Rs. Min	7,656	8,474	9,512	11,128	11,573
Net Margin	Rs. Min	7,656	8,474	9,512	11,128	11,573
Prior Year Adjustment	Rs. Min	38,959	8,648			
Total Revenue Requirement	Rs. Min	688,486	647,801	653,872	676,642	679,954
Projected Sales	GWh	17,184	17,333	17,491	17,658	17,834
Requested Tariff	Rs./kWh	40.07	37.37	37.38	38.32	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



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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.

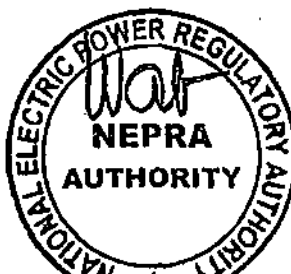
3. Issues of Hearing

3.1. For the purpose of the hearing, and based on the pleadings, 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.



J. Math



- 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 MEPCO 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%. MEPCO'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 MEPCO 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 MEPCO'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 MEPCO 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



J. Malik



Demand Growth Projection				
F.Y.	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 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?



S. Math



- 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
Total	55,501	60,949	69,093	84,943	82,418

- ✓ Increase in Pay and Allowances is attributable, inter alia to annual increment; impact of promotions/up-gradations and expected annual increase/revise 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 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	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



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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	562	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:

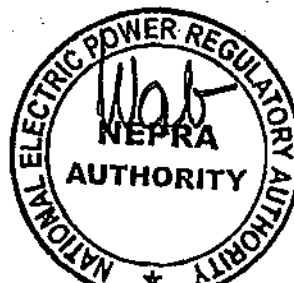
- ✓ The Pay & Allowances for FY 2025-26 have been estimated to be Rs. 22,301 Million, out of which Rs. 20,899 (M) & Rs. 1,403 (M) have been projected for Wire Business & Power Supply Business respectively. Pay & Allowances and Employee Benefits including Retirement Benefits constitute a major portion 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)					
F.Y.	Actual		Determined by NEPRA	Less Determined	
	Pay & Allowances	PRB Provision			
2009-09	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	4,814	(1,682)
2011-12	4,467	2,527	6,994	5,616	(2,378)
2012-13	5,299	2,618	8,017	5,405	(2,612)
2013-14	5,575	3,093	8,668	6,322	(2,346)
2014-15	8,630	3,814	12,444	6,649	(5,795)
Total	32,946	16,749	49,695	33,531	(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 of 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:

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	10,404	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	57,480	33,256	17,263

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

- ✓ Accordingly, the e Pension Fund stood at to Rs. 19,604 million as of Dec. 2024, whereas the PRB Liability recorded in the Balance Sheet as of 31st Dec. 2024 is 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:

- ✓ 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





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	1,280	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 Interim Tariff	FY 2025-26 Projected	FY 2025-26 Projected For Unit	FY 2026-27 Projected	FY 2026-27 Projected	FY 2026-27 Projected	FY 2026-27 Projected
Repairs & Maintenance (DOP)	2,262	2,347	0.14	2,651	2,741	3,270	3,632
Repairs & Maintenance (SOP)	-	30	0	34	61	69	76
Total Repairs & Maintenance	2,262	2,377	0.14	2,707	3,006	3,339	3,708
Traveling Expense (DOP)	1,166	1,689	0.1	2,053	2,451	2,951	3,605
Traveling Expense (SOP)	332	247	0.01	300	359	433	527
Total Traveling Expense	1,498	1,936	0.11	2,353	2,810	3,384	4,132
Transportation Expense (DOP)	724	1,116	0.06	1,239	1,435	1,728	2,078
Transportation Expense (SOP)	-	45	0	50	58	70	84
Total Transportation Expense	724	1,161	0.07	1,289	1,493	1,798	2,162
Misc. O&M Expenses (DOP)	1,091	1,076	0.11	2,044	2,313	2,567	2,819
Misc. O&M Expenses (SOP)	2,232	4,063	0.24	4,516	9,010	5,560	6,170
Total Misc. O&M Expenses	3,323	5,139	0.35	6,560	7,323	8,127	9,019
O&M Cost Excl. Employee Cost (DOP)	5,579	7,068	0.41	8,007	9,164	10,576	12,164
O&M Cost Excl. Employee Cost (SOP)	2,561	4,105	0.26	4,921	5,489	6,132	6,857
Total O&M Cost Excl. Employee Cost	8,137	11,173	0.67	12,928	14,653	16,708	19,021
Repairs & Maintenance (DOP)	2,262	2,347	0.14	2,651	2,741	3,270	3,632
Repairs & Maintenance (SOP)	-	30	0	34	61	69	76
Total Repairs & Maintenance	2,262	2,377	0.14	2,707	3,006	3,339	3,708
Traveling Expense (DOP)	1,166	1,689	0.1	2,053	2,451	2,951	3,605
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O&M Cost Excl. Employee Cost (DOP)	5,579	7,068	0.41	8,007	9,164	10,576	12,164
O&M Cost Excl. Employee Cost (SOP)	2,561	4,105	0.26	4,921	5,489	6,132	6,857
Total O&M Cost Excl. Employee Cost	8,137	11,173	0.67	12,928	14,653	16,708	19,021
Total O&M Cost (DOP)	41,329	46,471	2.81	53,390	60,327	71,943	79,372
Total O&M Cost (SOP)	10,578	15,373	0.78	14,741	16,539	19,863	22,633
G.Total O&M Cost	51,907	61,844	3.6	68,131	76,867	91,807	102,005

- ✓ 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.

J. Maiti



- 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%
Total	1,123	100%

Analysis of POL Rates & Transportation Expense Allowed by NEPRA

POL Rates June-2020	Rs. 100.10 Per Ltr
POL Rates June-2023	Rs. 234.16 Per Ltr
Increase in Rates Amount	Rs. 134.06 Per Ltr
Increase in Rates (%)	134%
Transportation Expense Allowed in 2020	Rs. 400 (M)
Transportation Expense Allowed in 2023	Rs. 729 (M)
Increase in Amount	Rs. 329 (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.

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 2nd 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, 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.



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- 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.



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- 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	460,461,704	2,461,130,746	660,129,105
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	4,469,875,500	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	4,287,125,502
2022-23	10,604,000,000	7,443,444,092	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	17,776,635,491

- 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 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

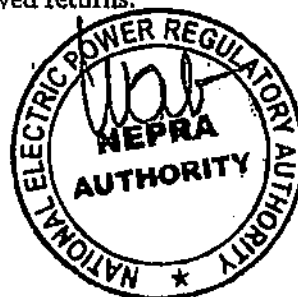
- 8.24. The Authority has carefully examined the Petitioner's request and also analyzed the past trend of R&M expenses of the Petitioner. The Authority understands that the adherence to service standards and improvement of customer services is only possible through continuous repair and maintenance of 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.



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- 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.



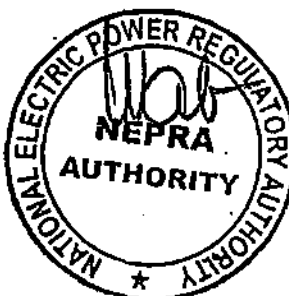
- 8.39. It has also been submitted that clause 34(f) of the IMF Country Report clearly acknowledges PPMC's role in supporting policy, regulatory and tariff affairs, sector reforms, privatization, CD management and integrated power and energy planning.
- 8.40. The Authority noted that the National Electricity 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, Deprecations 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%.

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:

$$DEP(Rev) = DEP(Ref) * GFAIO(Rev) / GFAIO(Ref)$$

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

- 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



rebasings 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 (R_f)
 - 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 13th 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 Determined	FY 2024-25 Audited	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected
Gross Fixed Assets - Opening Bal	189,137	203,738	231,891	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	199,872	235,474	270,209	313,389	351,400	387,492	419,150
Less: Accumulated Depreciation	81,447	82,382	82,155	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	87,478	88,488	84,575	80,850	98,348	101,849	105,552
Regulatory Assets Base (RAB)	78,217	83,544	131,910	163,388	178,564	195,171	203,542
Average Regulatory Assets Base	60,794	81,585	115,808	147,749	171,576	187,367	199,358
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	28,630

Description	FY 2024-25 Determined	FY 2024-25 Actual/ Proj.	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 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	13.06	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;



(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

β is Beta

The cost of debt:

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

- 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



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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, 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 O/B	203,657	235,395
Addition	31,738	23,970
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
Less: Deferred Credits	86,488	93,939
Total	84,178	86,361
RAB	85,270	
WACC	13.19%	
RoRB	11,248	



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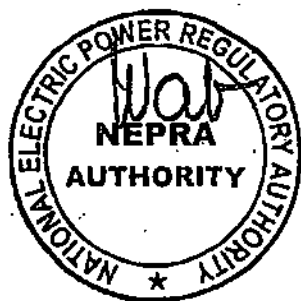


- 9.26. The total amount of RoRB as worked out above has been allocated in terms of Distribution and Supply Functions, as per the criteria adopted by the Petitioner itself. Accordingly, the RORB for the FY 2025-26 i.e. Rs.225 million, allocated to the Supply function.
- 9.27. The reference RoRB would 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	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	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	
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 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?



- 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.	Tariff Component	Adjustment
01	Fuel Cost	Monthly
02	Var. O&M, CPP and UoSC	Quarterly
03	O&M Cost	Annually
04	Post Retirement Benefits	Annually
Sl.No.	Tariff Component	Adjustment
05	Depreciation, RORB, Other Income	Annually
06	Prior Year Adjustment	Annually
07	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	$OI_{(Rev)} = OI_{(Ref)} \times (OI_{(Ref)} - OI_{(Ref)}) / (OI_{(Ref)} - OI_{(Ref)})$

- 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

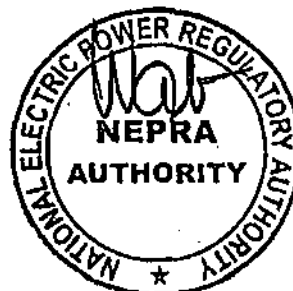
Efficiency Factor (X)



- 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 3rd 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 x [1+(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 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;

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

- 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 3rd 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 .

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

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

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



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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

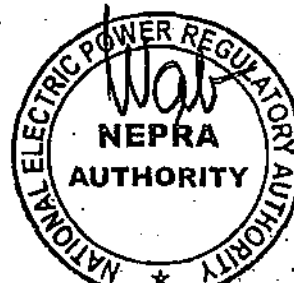
- 11.1. The reference RoRB would be adjusted every Year based on the amount of RAB worked out for the respective year after taking into account the amount of investment allowed for that year as per the following mechanism;

Adjustment Mechanism - RoRB	
RORB(Rev)	$= \text{RORB(Ref)} \times \text{RAB(Rev)} / \text{RAB(Ref)}$
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;



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

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 Days	Factor	MEPCO
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Current Assets

Trade debt (days of Revenue Receivable)	25	0.07	37,788
Total Current Assets			37,788

Current Liabilities

RPP 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			51,717

Net Cost of debt local	(13,929)
Working Capital Cost	(1,671)

(13,929)
12%
(1,671)

- 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 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 is summarized below:

Prior Year Adjustment (PYA)		(PKR Million)	
Sr. No.	Description	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 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:



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

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:

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



S. Mathi



MYT True-Up for FY 2023-24 (Rs.)	
Description	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
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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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)	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	

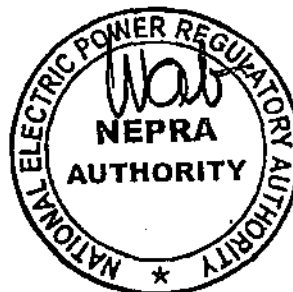
- ✓ The Authority is requested to allow Rs. 4,041 (M) on account of Turnover Tax during FY 2025-26 as PYA.
- ✓ Further apprised that quarterly installment due in four quarters of FY 2025-26 as per ADRC decision, have been claimed as PYA as summarized below:

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:





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
Total	19,283

- ✓ 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.

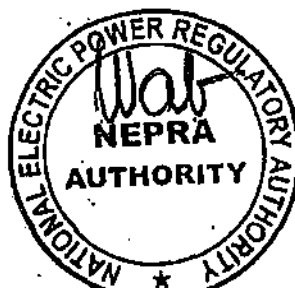
Quarterly Adjustments Incremental Units:

- ✓ 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:





- ✓ 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:

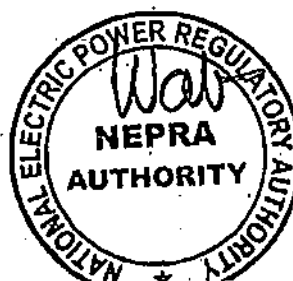
"It is proposed that 2,368 Pensioners of GENCOs may be adjusted in their pension disbursing DISCOs or WAPDA. Similarly, 1,753 employees of these plants would be adjusted in DISCOs. Pensions of these employees will be paid by the relevant DISCOs on their retirement according to rules of the relevant DISCOs. 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:

Bifurcation of PYA		Rs. In Million					
Sr. No.	Description	FY 2025-26			FY 2026-27		
		DOP	SOP	Total	DOP	SOP	Total
1	Sales Mix Variance FY 2022-23		4,898	4,898			-
2	Under/Over Recovery of Quarterly Adjustments		6,826	6,826			-
3	Under/Over Recovery of DM	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 (Payments made under ADRC Order)		4,041	4,041		5,388	5,388
8	PRB Liability	18,070	1,213	19,283			-
9	Quarterly Adjustments UMPL 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	4,067	273	4,340			-
	Total	20,494	38,959	59,453		8,648	8,648



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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
Total	87,784

PYA Requested VS Determined FY 2025-26

Sr. No	Description	FY 2025-26	
		Requested	Interim Tariff Determined
1	Sales Mix Variance FY 2023-23	4,888	4,888
2	Under/Over Recovery of Quarterly Adjustments	8,628	4,924
3	Under/Over Recovery of DM	7,167	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	3,280	3,280
7	Turnover Tax (Payment made under ADRG Order)	4,041	4,041
8	PRB Liability	19,283	-
9	Quarterly Adjustments UMPL Incremental Units 2021-22	821	-
10	Quarterly Adjustments Incremental Units	2,189	-
11	Financing of Delayed PPP Quarterly Adj.	6,836	-
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
	Total	69,454	20,951

Description	Allowed Amount	Recovered	Under/(Over) Recovery
4th Qtr FY 2023-23			
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		(1,013)	
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 2023-24			
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
Total Under/(Over) Recovery			5,826



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*Determination of the Authority in the matter of MYT Petition
of MEPCO for Supply 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
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	2.40	1.85 & 2.40
DM Recovered	1,358	37,865	39,224
Under/(Over) Recovered			7,167

True Ups FY 2023-24	
Depreciation	
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 True Up	
8,022	

Turnover Tax FY 2023-24		
Description	Amount (in Million)	Remarks
1st QTR 2023-24	440	CPR No. IT2023092701012231860
2nd QTR 2023-24	1,149	CPR No. IT2023122901011894758 & CPR No. IT202312301011717804
3rd QTR 2023-24	1,000	CPR No. IT20230901011088580
4th QTR 2023-24	2,412	CPR No. IT2024082801011988602
Payment with Return 2024	587	CPR No. IT2024123101011857638
Total	5,587	



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Determination of the Authority in the matter of MYT Petition
of MBPCO 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. IT2024122601011715489 & CPR No. IT2024122601011715488
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	

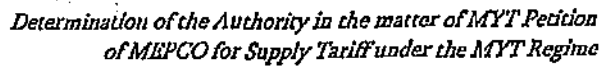
Financial Year	Quarter	Revised Amount	Amount Allowed	Less/ (Excess)
FY 2021-22	2nd	7,641	7,074	567
	3rd	2,424	2,170	254
TOTAL		10,065	9,244	821

Quarterly Adjustments Incremental Units

Rs. in Million				
Financial Year	Quarter	Revised Amount	Amount Allowed	Less/ (Excess)
2021-22	1st	4,114	3,762	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
Total		88,614	88,448	2,166



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Period	Re-Memoized Date	Debit Entry Date	Debit Date	Debit to Inventory	Debit to Equity	Debit to Liability	BALANCE CREDIT		
							Debit to Equity	Debit to Liability	Debit to Equity
1st Quarterly Subsequent to FY 2013-13	01 Jan-13	01 Jan-13	01 Jan-13	7	11,821	12,535	6.35	131	
2nd Quarterly Subsequent to FY 2013-13	01 Feb-13	01 Feb-13	01 Feb-13	4	12,535	12,535	100%	131	
3rd Quarterly Subsequent to FY 2013-13	01 Mar-13	01 Mar-13	01 Mar-13	4	12,535	12,535	100%	131	
4th Quarterly Subsequent to FY 2013-13	01 Apr-13	01 Apr-13	01 Apr-13	0	12,535	12,535	100%	131	
1st Quarterly Subsequent to FY 2014-14	01 May-13	01 May-13	01 May-13	0	12,535	12,535	100%	131	
2nd Quarterly Subsequent to FY 2014-14	01 Jun-13	01 Jun-13	01 Jun-13	0	12,535	12,535	100%	131	
3rd Quarterly Subsequent to FY 2014-14	01 Jul-13	01 Jul-13	01 Jul-13	0	12,535	12,535	100%	131	
4th Quarterly Subsequent to FY 2014-14	01 Aug-13	01 Aug-13	01 Aug-13	0	12,535	12,535	100%	131	
1st Quarterly Subsequent to FY 2015-15	01 Sep-13	01 Sep-13	01 Sep-13	0	12,535	12,535	100%	131	
2nd Quarterly Subsequent to FY 2015-15	01 Oct-13	01 Oct-13	01 Oct-13	0	12,535	12,535	100%	131	
3rd Quarterly Subsequent to FY 2015-15	01 Nov-13	01 Nov-13	01 Nov-13	0	12,535	12,535	100%	131	
4th Quarterly Subsequent to FY 2015-15	01 Dec-13	01 Dec-13	01 Dec-13	0	12,535	12,535	100%	131	
1st Quarterly Subsequent to FY 2016-16	01 Jan-14	01 Jan-14	01 Jan-14	0	12,535	12,535	100%	131	
2nd Quarterly Subsequent to FY 2016-16	01 Feb-14	01 Feb-14	01 Feb-14	0	12,535	12,535	100%	131	
3rd Quarterly Subsequent to FY 2016-16	01 Mar-14	01 Mar-14	01 Mar-14	0	12,535	12,535	100%	131	
4th Quarterly Subsequent to FY 2016-16	01 Apr-14	01 Apr-14	01 Apr-14	0	12,535	12,535	100%	131	
1st Quarterly Subsequent to FY 2017-17	01 May-14	01 May-14	01 May-14	0	12,535	12,535	100%	131	
2nd Quarterly Subsequent to FY 2017-17	01 Jun-14	01 Jun-14	01 Jun-14	0	12,535	12,535	100%	131	
3rd Quarterly Subsequent to FY 2017-17	01 Jul-14	01 Jul-14	01 Jul-14	0	12,535	12,535	100%	131	
4th Quarterly Subsequent to FY 2017-17	01 Aug-14	01 Aug-14	01 Aug-14	0	12,535	12,535	100%	131	
1st Quarterly Subsequent to FY 2018-18	01 Sep-14	01 Sep-14	01 Sep-14	0	12,535	12,535	100%	131	
2nd Quarterly Subsequent to FY 2018-18	01 Oct-14	01 Oct-14	01 Oct-14	0	12,535	12,535	100%	131	
3rd Quarterly Subsequent to FY 2018-18	01 Nov-14	01 Nov-14	01 Nov-14	0	12,535	12,535	100%	131	
4th Quarterly Subsequent to FY 2018-18	01 Dec-14	01 Dec-14	01 Dec-14	0	12,535	12,535	100%	131	
1st Quarterly Subsequent to FY 2019-19	01 Jan-15	01 Jan-15	01 Jan-15	0	12,535	12,535	100%	131	
2nd Quarterly Subsequent to FY 2019-19	01 Feb-15	01 Feb-15	01 Feb-15	0	12,535	12,535	100%	131	
3rd Quarterly Subsequent to FY 2019-19	01 Mar-15	01 Mar-15	01 Mar-15	0	12,535	12,535	100%	131	
4th Quarterly Subsequent to FY 2019-19	01 Apr-15	01 Apr-15	01 Apr-15	0	12,535	12,535	100%	131	
1st Quarterly Subsequent to FY 2020-20	01 May-15	01 May-15	01 May-15	0	12,535	12,535	100%	131	
2nd Quarterly Subsequent to FY 2020-20	01 Jun-15	01 Jun-15	01 Jun-15	0	12,535	12,535	100%	131	
3rd Quarterly Subsequent to FY 2020-20	01 Jul-15	01 Jul-15	01 Jul-15	0	12,535	12,535	100%	131	
4th Quarterly Subsequent to FY 2020-20	01 Aug-15	01 Aug-15	01 Aug-15	0	12,535	12,535	100%	131	
1st Quarterly Subsequent to FY 2021-21	01 Sep-15	01 Sep-15	01 Sep-15	0	12,535	12,535	100%	131	
2nd Quarterly Subsequent to FY 2021-21	01 Oct-15	01 Oct-15	01 Oct-15	0	12,535	12,535	100%	131	
3rd Quarterly Subsequent to FY 2021-21	01 Nov-15	01 Nov-15	01 Nov-15	0	12,535	12,535	100%	131	
4th Quarterly Subsequent to FY 2021-21	01 Dec-15	01 Dec-15	01 Dec-15	0	12,535	12,535	100%	131	
1st Quarterly Subsequent to FY 2022-22	01 Jan-16	01 Jan-16	01 Jan-16	0	12,535	12,535	100%	1	

Depreciation	Rs. in billion
Allowed	6,822
Actual	7,488
Under/(Over) Recovery	866
RoRB (Investment + KIBOR)	
Allowed	12,852
Actual	17,247
Under/(Over) Recovery	4,395
Other Income	
Allowed	(7,108)
Actual	(9,910)
Under/(Over) Recovery	(2,802)
Total True Ups	2,459

	Rs. in Million
DM Allowed FY 2024-25	56,903
DM Recovered	
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
Under/(Over) Recovered DM	6,851

	Rs. in million
Description	Amount
4th Qtr FY 2022-23	
Allowed Amount	25,330
Qtr. RA/Wth	3,8856
Recovered	23,911
Under/(Over) Recovery	1,419
2nd Qtr FY 2024-25	
Allowed Amount	(10,709)
Qtr. RA/Wth	(2,0023)
Recovered	(10,170)
Under/(Over) Recovery	(539)
3rd Qtr FY 2024-25	
Allowed Amount	(15,778)
Qtr. RA/Wth	(2,5192)
Recovered	(14,040)
Under/(Over) Recovery	(1,738)
Total Under/(Over) Recovery	(858)

Note: Under (Over) Recovery of 4th Quarter of FY 2022-23 QTA was requested vide Annual Indexation Request for FY 2024-26, however the same was not considered by the Authority.



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- 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
Total	19,739

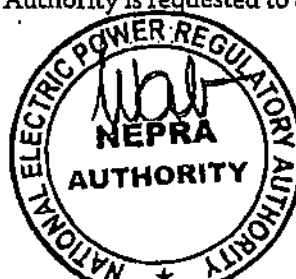
- 14.3. The detailed head wise working of aforementioned PYA is attached as annexure-VI
15. Whether there should be any fixed charges on Units exported by net metering users to the extent of Transmission and Distribution charges or otherwise?
- 15.1. The petitioner during the hearing supported recovery 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:
- $$\text{Distribution Loss levy} = \text{Exported kWh} \times \text{Distribution loss component (percentage)} \times \text{Energy Purchase Price (per kWh)}$$
- 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 recovery 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 bad 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	1.16%
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 fulfilment 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 fulfilment 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 fulfilment 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:
- a. Subsidies to protected categories of residential consumers shall be disbursed directly pursuant to the detailed action plan to be developed under Strategic Directive 067;
 - b. Residential consumers (below cost recovery) shall be cross subsidized by:
 - i. industrial & commercial consumers, pursuant to the Strategic Directive 084;
 - ii. other residential consumers (above cost recovery).
- 19.4. SD 84 states that Cross-subsidy by the productive consumers, to subsidize residential and agricultural consumers, shall be progressively restricted to 20% of the respective cost of service of such consumers by FY-2026.
- 19.5. In light of the aforementioned provisions of NE Plan, the Authority, has decided to gradually reduce the quantum of cross subsidization by the Industrial consumers in order to make it cost reflective and major burden of cross subsidization is being shifted towards commercial and other residential consumers (above cost of service).
20. Whether there will be any claw back mechanism or not?
- 20.1. 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.



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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 31st 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 1st 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 1st 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 1st 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 1st January each year. The Authority has already determined the Power Purchase Price (PPP) references up to June

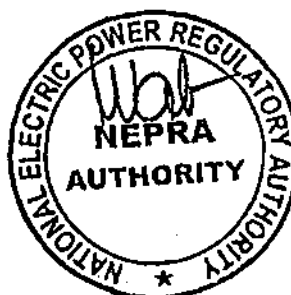


2026, accordingly, it is submitted that the references for the remaining period up to December 2026 may also be determined, in line with the above-mentioned directives.

- 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 1st 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:



Signature



Description		Unit	July to December 2026 FY 2026-27
Pay & Allowances			10,804
Post Retirement Benefits			13,922
Repair & Maintenance			1,117
Traveling allowance			681
Vehicle maintenance			394
Other expenses			1,902
O&M Cost	[Mln. Rs.]		28,820
Depreciation			4,518
RORB			5,095
O.Income			(4,366)
Margin	[Mln. Rs.]		34,068

- 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 Tariff table of CY 2026 (January 2026 to December 2026), to the extent of its Supply function is summarized as under;



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Description	Unit	Revised Allowed FY 2025-26	Allowed CY 2026
		SaP	SOP
Units Received	[MkWh]		18,427
Units Sold	[MkWh]		16,337
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			
Post Retirement Benefits		4,556	4,912
Repair & Maintainance		42	41
Traveling allowance		282	226
Vehicle maintenance		163	163
Other expenses		789	825
O&M Cost.	[Mln. Rs.]	9,427	9,740
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;



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*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	Pass through	The Authority, keeping in view of any abnormal changes may review Power Purchase Price references along with any Quarterly adjustment		
Fuel Cost		Monthly, as per the approved mechanism, impact of FCA on T&D losses would be adjusted on Quarterly basis.	Data to be provided by CPFA (G) by close of the month	
Variable O&M		Quarterly, as per the approved Quarterly adjustment mechanism.	Request to be furnished by the Petitioner not later than a period of 07 Days on Quarterly basis	
Capacity Charges		Quarterly, as per the approved Quarterly adjustment mechanism.	Request to be furnished by the Petitioner not later than a period of 07 Days on Quarterly basis.	
Transmission/UOSC & NOF 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 & Bonuses		Annually as per the mechanism given in the decision	Request to be submitted by Petitioner in end of July of every year, so that adjustment / Indemnification for the next year is determined in timely manner.	
Past retirement Benefits				
Other operating expenses		Annually as per the mechanism given in the decision		
Depreciation				
Return on Regulatory Asset Base		Bi-Annually, as per the decision		
Other Income		No adjustment allowed over Reference ROE		
Prior Year Adjustment		As per the mechanism in the decision		
USBOR				
Return on Equity (ROE)				
Special				

- 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;
- To provide the reconciled date of sales mix for last 3 years with its reported revenue as per audited financial statements.
 - To provide comprehensive reconciliation of PYA allowed under different heads for at least last 3 years with the revenue reported in audited accounts.
 - 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.



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- 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
Member



Engr. Maqsood Anwar Khan
Member



Waseem Mukhtar
Chairman



FUEL PRICE ADJUSTMENT MECHANISM

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

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

Where:

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

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

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

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



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;

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

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.

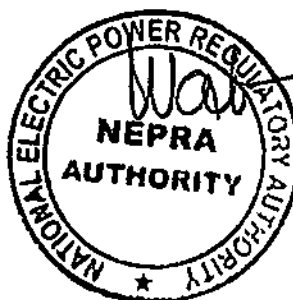
The sum of amounts so worked for each month of the Quarter shall be divided by the Projected units to be sold as determined by the Authority to work out Rs./kWh Quarterly adjustment.



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./Kwh	Rs./Kwh	Rs./Kwh	Min. Rs.	Rs./Kwh	Rs./Kwh	Rs./Kwh	Rs./Kwh
Residential													
For peak load requirement less than 5 KW													
Protected	Up to 50 Units - Life Line	55	0.34%	-	1,595	1,595	-	-	28.34	30	0.54	-	29.4
	51-100 Units - Life Line	75	0.48%	-	2,230	2,230	-	-	29.55	41	0.54	-	30.4
	101-200 Units	3310	20.30%	-	107,214	107,214	-	-	32.34	1,765	0.54	-	32.1
	201-300 Units	809	4.95%	-	26,055	26,055	-	-	32.20	438	0.54	-	32.3
Un-Protected	01-100 Units	577	3.53%	-	18,820	18,820	-	-	32.62	311	0.54	-	33.1
	101-200 Units	1257	7.70%	-	42,803	42,803	-	-	34.05	877	0.54	-	34.5
	201-300 Units	1810	11.13%	-	62,115	62,115	-	-	34.15	979	0.54	-	34.6
	301-400 Units	732	4.48%	428	24,472	24,901	200	-	33.43	384	0.54	200	33.5
	401-500 Units	335	2.05%	314	11,061	11,376	400	-	33.01	190	0.54	400	33.1
	501-600 Units	172	1.05%	210	5,650	5,861	600	-	32.81	93	0.54	600	33.3
	601-700 Units	102	0.62%	141	3,332	3,473	800	-	32.68	55	0.54	800	33.1
	Above 700 Units	221	1.35%	250	7,184	7,438	1,000	-	32.51	118	0.54	1,000	33.6
	For peak load requirement exceeding 5 KW												
	Time of Use (TOU) - Peak	84	0.51%	808	2,782	3,690	1,000	-	33.15	45	0.54	1,000	33.6
	Time of Use (TOU) - Off-Peak	320	1.93%	-	0,768	0,768	1,000	-	30.82	172	0.54	1,000	31.1
	Temporary Supply	1	0.00%	1	22	23	2,000	-	38.18	0	0.54	2,000	38.7
Total Residential		9,875	69.45%	2,218	325,144	327,403			5,315				
Commercial - A2													
For peak load requirement less than 5 KW													
For peak load requirement exceeding 5 KW													
Regular													
Time of Use (TOU) - Peak													
Time of Use (TOU) - Off-Peak													
Temporary Supply													
Electric Vehicle Charging Station													
Total Commercial		1,170	7.18%	10,557	21,165	38,724			830				
General Services-A3													
Industrial													
B1													
B1 Peak													
B1 Off-Peak													
B2													
B2 - TOU (Peak)													
B2 - TOU (Off-Peak)													
B3 - TOU (Peak)													
B3 - TOU (Off-Peak)													
B4 - TOU (Peak)													
B4 - TOU (Off-Peak)													
Total Industrial		2,852	17.46%	11,831	85,607	97,458			1,615				
Single Point Supply													
C1(a) Supply at 400 Volts-less than 5 KW													
C1(b) Supply at 400 Volts-exceeding 5 KW													
Time of Use (TOU) - Peak													
Time of Use (TOU) - Off-Peak													
C2 Supply at 11 KV													
Time of Use (TOU) - Peak													
Time of Use (TOU) - Off-Peak													
C3 Supply above 11 KV													
Time of Use (TOU) - Peak													
Time of Use (TOU) - Off-Peak													
Total Single Point Supply		183	1.71%	1,025	6,033	7,058			152				
Agricultural Tube-wells - Tariff D													
Scarp													
Time of Use (TOU) - Peak													
Time of Use (TOU) - Off-Peak													
Agricultural Tube-wells													
Time of Use (TOU) - Peak													
Time of Use (TOU) - Off-Peak													
Total Agricultural		1,727	10.57%	3,388	51,667	55,053			828				
Public Lighting - Tariff G													
Residential Colonies													
Railway Station													
Pre-paid Supply Tariff		18	0.40%	38	1,764	1,802			35				
Grand Total													
Grand Total		16,337	100%	22,889	508,278	538,347			8,794				

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



GENERAL SUPPLY TARIFF - RESIDENTIAL

GENERAL SUPPLY TARIFF - RESIDENTIAL

Sl. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES	PTA 2023		Total Variable Charges	
		Rs / Conn / M	Rs / kW / M		Rs/kWh	Rs/kWh	Rs/kWh	Rs/kWh
		A	B	C	D	E	F=G+D	H=I+D
a)	For Rationed load less than 8 kW	-	-	28.84	0.64	-	28.84	29.48
i)	Up to 84 Units - Life Line	-	-	29.69	0.64	-	29.69	30.33
ii)	81 - 100 Units - Life Line	-	-	29.54	0.64	-	29.54	30.18
iii)	101 - 150 Units	-	-	29.39	0.64	-	29.39	30.03
iv)	151 - 200 Units	-	-	29.24	0.64	-	29.24	29.88
v)	201 - 250 Units	-	-	29.09	0.64	-	29.09	29.73
vi)	251 - 300 Units	-	-	28.94	0.64	-	28.94	29.58
vii)	301 - 400 Units	200	-	28.79	0.64	-	28.79	29.43
viii)	401 - 500 Units	400	-	28.64	0.64	-	28.64	29.28
ix)	501 - 600 Units	600	-	28.49	0.64	-	28.49	29.13
x)	601 - 700 Units	800	-	28.34	0.64	-	28.34	28.98
xi)	Above 700 Units	1,000	-	28.19	0.64	-	28.19	28.83
b)	For Rationed load 8 kW & above	-	-	Peak	0.64	0.64	Peak	0.64
	Time Of Use	1,000	-	28.19	0.64	0.64	28.19	28.83
c)	Pre-Paid Meter/Initial Supply Tariff	1,000	-	28.19	0.64	0.64	28.19	28.83

As per Authority's decision only perfected could meter to customers will be given the benefit of a previous slab.

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

Under tariff A-i, there shall be minimum monthly customer charge at the following rates even if no energy is consumed. For consumer where monthly fixed charges are applicable, no minimum charge shall be applicable in each consumer, even if no energy is consumed.

At Slab Phase Consumer

At Three Phase Consumer

Rs. 75/- per consumer per month

Rs. 150/- per consumer per month

GENERAL SUPPLY TARIFF - COMMERCIAL

Sl. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES	PTA 2023		Total Variable Charges	
		Rs / Conn / M	Rs / kW / M		Rs/kWh	Rs/kWh	Rs/kWh	Rs/kWh
		A	B	C	D	E	F=G+D	H=I+D
a)	For Rationed load less than 8 kW	-	-	22.31	0.64	-	22.31	22.95
b)	For Rationed load 8 kW & above	1,000	1,350	Peak	0.64	0.64	Peak	0.64
	Time Of Use	-	1,350	22.31	0.64	0.64	22.31	22.95
c)	Minimum Monthly Charge for Station	-	-	22.31	0.64	0.64	22.31	22.95
d)	Pre-Paid Meter/Initial Supply Tariff	1,000	-	22.31	0.64	0.64	22.31	22.95

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

GENERAL SERVICES TARIFF

Sl. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES	PTA 2023		Total Variable Charges	
		Rs / Conn / M	Rs / kW / M		Rs/kWh	Rs/kWh	Rs/kWh	Rs/kWh
		A	B	C	D	E	F=G+D	H=I+D
a)	General Services	1,000	-	22.31	0.64	-	22.31	22.95
b)	Pre-Paid Meter/Initial Supply Tariff	1,000	-	22.31	0.64	0.64	22.31	22.95

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

INDUSTRIAL SUPPLY TARIFF

Sl. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES	PTA 2023		Total Variable Charges	
		Rs / Conn / M	Rs / kW / M		Rs/kWh	Rs/kWh	Rs/kWh	Rs/kWh
		A	B	C	D	E	F=G+D	H=I+D
a)	Up to 25 kW (at 400/330 Vols)	-	-	36.51	0.64	-	36.51	37.15
b)	Exceeding 25-500 kW (at 400 Vols)	1,000	1,350	Peak	0.64	0.64	Peak	0.64
	Time Of Use	-	1,350	36.51	0.64	0.64	36.51	37.15
c)	Up to 25 kW	1,000	-	36.51	0.64	0.64	36.51	37.15
d)	Exceeding 25-500 kW (at 400 Vols)	-	1,350	36.51	0.64	0.64	36.51	37.15
e)	For All loads up to 1,000 kW (at 11,22 kV)	-	1,350	36.51	0.64	0.64	36.51	37.15
f)	For All loads up to 10,000 kW (at 11,22 kV)	-	1,350	36.51	0.64	0.64	36.51	37.15
g)	For All loads up to 10,000 kW (at 11,22 kV)	-	1,350	36.51	0.64	0.64	36.51	37.15
h)	Pre-Paid Meter/Initial Supply Tariff	1,000	-	36.51	0.64	0.64	36.51	37.15

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

SINGLE POINT SUPPLY

Sl. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES	PTA 2023		Total Variable Charges	
		Rs / Conn / M	Rs / kW / M		Rs/kWh	Rs/kWh	Rs/kWh	Rs/kWh
		A	B	C	D	E	F=G+D	H=I+D
G-1	For supply at 400/330 Vols	-	-	36.51	0.64	-	36.51	37.15
G-2	For supply at 11,22 kV up to and including 500 kW	1,000	1,350	Peak	0.64	0.64	Peak	0.64
G-3	For supply at 11,22 kV up to and including 500 kW	-	1,350	36.51	0.64	0.64	36.51	37.15
G-4	For supply at 11,22 kV up to and including 500 kW	-	1,350	36.51	0.64	0.64	36.51	37.15
G-5	For supply at 11,22 kV up to and including 500 kW	-	1,350	36.51	0.64	0.64	36.51	37.15
G-6	For supply at 11,22 kV up to and including 500 kW	-	1,350	36.51	0.64	0.64	36.51	37.15
G-7	For supply at 11,22 kV up to and including 500 kW	-	1,350	36.51	0.64	0.64	36.51	37.15
G-8	For supply at 11,22 kV up to and including 500 kW	-	1,350	36.51	0.64	0.64	36.51	37.15
G-9	For supply at 11,22 kV up to and including 500 kW	-	1,350	36.51	0.64	0.64	36.51	37.15
G-10	For supply at 11,22 kV up to and including 500 kW	-	1,350	36.51	0.64	0.64	36.51	37.15
G-11	For supply at 11,22 kV up to and including 500 kW	-	1,350	36.51	0.64	0.64	36.51	37.15
G-12	For supply at 11,22 kV up to and including 500 kW	-	1,350	36.51	0.64	0.64	36.51	37.15
G-13	For supply at 11,22 kV up to and including 500 kW	-	1,350	36.51	0.64	0.64	36.51	37.15
G-14	For supply at 11,22 kV up to and including 500 kW	-	1,350	36.51	0.64	0.64	36.51	37.15
G-15	For supply at 11,22 kV up to and including 500 kW	-	1,350	36.51	0.64	0.64	36.51	37.15
G-16	For supply at 11,22 kV up to and including 500 kW	-	1,350	36.51	0.64	0.64	36.51	37.15
G-17	For supply at 11,22 kV up to and including 500 kW	-	1,350	36.51	0.64	0.64	36.51	37.15
G-18	For supply at 11,22 kV up to and including 500 kW	-	1,350	36.51	0.64	0.64	36.51	37.15
G-19	For supply at 11,22 kV up to and including 500 kW	-	1,350	36.51	0.64	0.64	36.51	37.15
G-20	For supply at 11,22 kV up to and including 500 kW	-	1,350	36.51	0.64	0.64	36.51	37.15

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



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SCHEDULE OF ELECTRICITY TARIFFS
FOR MULTAN ELECTRIC POWER COMPANY (MEPCO) LTD.
FOR AGRICULTURE TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES	PTA 2023	Total Variable Charge
		Rs / Conn / M	Rs / kW / M	Rs / kWh	Rs / kWh	Rs / kWh
D-1(a)	SCAMP less than 6 kW	-	-	22.43	0.54	22.43
D-2(a)	Agri-Industrial Tube Wells	-	400	10.18	0.54	30.62
				Peak	0.57 Peak	Peak
D-1(b)	SCAMP 6 kW & above	-	400	19.41	0.54	20.35
D-2(b)	Agri-Industrial 6 kW & above	-	400	17.44	0.54	18.18
				Peak	0.57 Peak	Peak
				27.31	0.54	34.49
				34.49	0.54	35.03

Under this tariff, there shall be minimum monthly charges Rs2000/- per connection per month, even if no energy is consumed.
 Note: The consumers having connection of 10 kW and above shall be charged for TDS metering.

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES	PTA 2023	Total Variable Charge
		Rs / Conn / M	Rs / kW / M	Rs / kWh	Rs / kWh	Rs / kWh
E-1(a)	Industrial Supply	3,000	-	36.18	0.84	36.79
E-1(b)	Commercial Supply	3,000	-	34.29	0.84	34.83
E-2	Industrial Supply	3,000	-	40.43	0.84	40.88

SCHEDULE OF ELECTRICITY TARIFFS
FOR MULTAN ELECTRIC POWER COMPANY (MEPCO) LTD.
FOR INDUSTRIAL SUPPLY TARIFFS

Note: All PTA 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.

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES	PTA 2023	Total Variable Charge
		Rs / Conn / M	Rs / kW / M	Rs / kWh	Rs / kWh	Rs / kWh
	Industrial Supply	3,000	-	37.18	0.84	37.74

SCHEDULE OF ELECTRICITY TARIFFS
FOR MULTAN ELECTRIC POWER COMPANY (MEPCO) LTD.
FOR EDUCATIONAL SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES	PTA 2023	Total Variable Charge
		Rs / Conn / M	Rs / kW / M	Rs / kWh	Rs / kWh	Rs / kWh
	Educational Supply (Schools & Institutions)	3,000.00	-	37.18	0.84	37.74

SCHEDULE OF ELECTRICITY TARIFFS
FOR MULTAN ELECTRIC POWER COMPANY (MEPCO) LTD.
FOR RAILWAY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES	PTA 2023	Total Variable Charge
		Rs / Conn / M	Rs / kW / M	Rs / kWh	Rs / kWh	Rs / kWh
	Railway Station	3,000.00	-	38.48	0.84	39.00

Note: The PTA 2023 column shall remain in effect until the end of the first year of the tariff period.



note 7

MEPCO

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	1,996	2,443	2,138	2,188	1,992	1,571	1,038	902	18,427

Fuel Cost Component	10,395.4	6,793.7	7,993.2	8,249.8	8,431.5	7,713.8	7,092.9	7,099.8	7,459.6	7,869.6	6,244.1	8,016.5	7,700.8
Variable O&M	0.3912	0.2967	0.3527	0.3719	0.4775	0.4380	0.4029	0.3880	0.3915	0.4249	0.3019	0.3211	0.3935
Capacity	20,781.6	25,595.8	19,839.3	16,120.2	13,292.3	12,398.4	12,821.5	12,105.9	13,586.7	16,679.3	23,058.8	20,420.8	15,745.9
UoSC	2,266.4	2,554.7	2,218.0	2,054.2	1,985.4	1,814.3	1,816.8	1,668.0	1,894.2	2,092.1	2,403.9	2,246.1	1,989.8
Total PPF in Rs. / MWh	33,834.5	35,183.0	30,404.1	26,796.3	24,086.8	22,306.4	22,134.0	21,258.8	23,322.0	27,059.9	32,008.2	31,004.5	25,850.0

Fuel Cost Component	9,463	5,208	9,048	13,561	16,826	16,529	15,166	15,335	14,857	12,361	6,482	7,235	142,273
Variable O&M	356	230	399	611	953	941	861	848	780	667	313	290	7,251
Capacity	18,919	19,798	22,452	26,498	26,527	26,438	27,415	26,490	27,061	26,190	23,935	18,429	290,152
UoSC	2,063	1,976	2,510	3,377	3,763	3,888	3,885	3,643	3,753	3,286	2,495	2,027	36,555
Total PPF in Rs. / MWh	30,881	27,213	34,409	44,047	48,069	47,795	47,327	46,518	46,450	42,505	33,225	27,981	476,341

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 Govt



F. H. Khan

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 sanctioned 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 7th day from the date of delivery of bill.
3. The supply provided to the consumers shall not be available for resale.
4. In the case of two-part tariff average Power Factor of a consumer at the point of supply shall not be less than 90%. In the event of the said Power factor falling below 90%, the consumer shall pay a penalty of two percent increase in the fixed charges determined with reference to maximum demand during the month corresponding to one percent decrease in the power factor below 90%.



PART-II

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

A-1 RESIDENTIAL

Definition

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

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

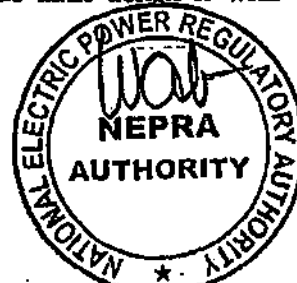
"Protected consumers" mean Non-ToU residential consumers consuming ≤ 200 kWh per month consistently for the past 6 months.

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

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

A-2 COMMERCIAL

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



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

3. The Electric Vehicle Charging Station shall provide "charging service" to Electric Vehicle shall provide charging service to Electric Vehicles as per the applicable tariff for EVCS category, plus margin, to be determined by the market forces itself. The EVCS shall be billed by DISCOS under A-2(d) tariff. However, monthly FCAs either positive or negative shall not be applicable on EVCS.
4. Consumers under tariff A-2 having sanctioned load of less than 5 kW shall be billed under a Single-Part kWh rate A-2(a)
5. All existing consumers under tariff A-2 having sanctioned load 5 kW and above shall be billed on A-2(b) tariff till such time that they are provided T.O.U metering arrangement; thereafter such consumers shall be billed on T.O.U tariff A-2(c).
6. The existing and prospective consumers having load of 5 kW and above shall be provided T.O.U metering arrangement and shall be billed under tariff A-2(c).

A-3 GENERAL SERVICES

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

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

B INDUSTRIAL SUPPLY

Definitions

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

Conditions

An industrial consumer shall have the option, to switch over to seasonal Tariff-F, provided his connection is seasonal in nature as defined under Tariff-F, and he



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

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

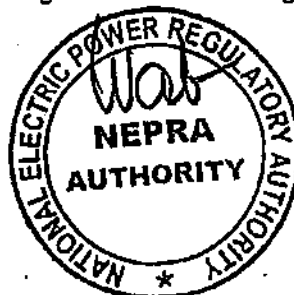
1. This tariff is applicable for supply to Industries having sanctioned load upto 25 kW.
2. Consumers having sanctioned load upto 25 kW shall be billed on single-part kWh rate.
3. Consumers under tariff B-1 having sanctioned load of less than 5 kW shall be billed under a Single-Part kWh rate. However,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

B-2 SUPPLY AT 400 VOLTS

1. This tariff is applicable for supply to Industries having sanctioned load of more than 25 kW up to and including 500 kW.
2. All existing consumers under tariff B-2 shall be provided T.O.U metering arrangement by the Company and converted to B-2(b) Tariff.
3. All new applicants i.e. prospective consumers applying for service to the Company shall be provided T.O.U metering arrangement and charged according to the applicable T.O.U tariff.

B-3 SUPPLY AT 11 kV AND 33 kV

1. This tariff is applicable for supply to Industries having sanctioned load of more than 500 kW up to and including 5 MW and also for Industries having sanctioned load of 500 kW or below who opt for receiving supply at 11 kV or 33 kV.
2. The consumers may be allowed extension of load beyond 5MW upto 7.5MW from the DISCO's owned grid station subject to availability of load in the grid and capacity in the 11kV existing dedicated feeder. In such a case the consumer will bear 100% grid sharing charges including transmission line charges and 100% cost of land proportionate to load. While allowing extension in load, the DISCOs shall ensure that no additional line losses are incurred and additional loss, if any, shall be borne by the respective consumers.
3. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.



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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.

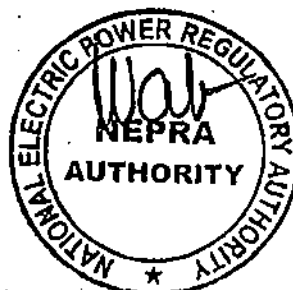
C BULK SUPPLY

"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.

G-I SUPPLY AT 400/230 VOLTS



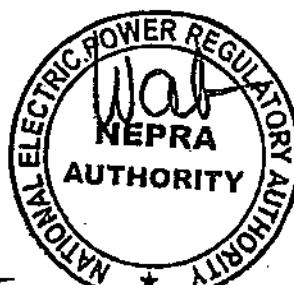
1. This Tariff is applicable to a consumer having a metering arrangement at 400 volts, having sanctioned load of up to and including 500 kW.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. C-I(a) tariff.
3. All new consumers having sanctioned load 5 kW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



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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

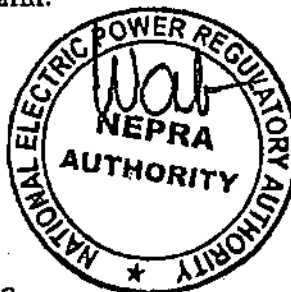
"Agricultural Supply" means the supply for Lift Irrigation Pumps and/or pumps installed on Tube-wells intended solely for irrigation or reclamation of agricultural land or forests, and include supply for lighting of the tube-well chamber.

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

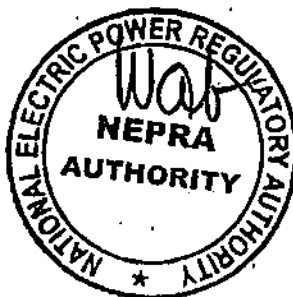
1. This tariff shall apply to Residential and Commercial consumers for temporary supply.
2. Ordinarily the supply under this Tariff shall not be given by the Company without first obtaining security equal to the anticipated supply charges and other miscellaneous charges for the period of temporary supply.

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.



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

F SEASONAL INDUSTRIAL SUPPLY

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

Definitions

"Year" means any period comprising twelve consecutive months.

1. All "Definitions" and "Special Conditions of Supply" as laid down under the corresponding Industrial Tariffs shall also form part of this Tariff so far as they may be relevant.

Special Conditions of Supply

1. This tariff is applicable to seasonal industry.
2. Fixed Charges per kilowatt per month under this tariff shall be levied at the rate of 125% of the corresponding regular Industrial Supply Tariff Rates and shall be recovered only for the period that the seasonal industry actually runs subject to minimum period of six consecutive months during any twelve consecutive months. The condition for recovery of Fixed Charges for a minimum period of six months shall not, however, apply to the seasonal industries, which are connected to the Company's Supply System for the first time during the course of a season.
3. The consumers falling within the purview of this Tariff shall have the option to change over to the corresponding industrial Supply Tariff, provided they undertake to abide by all the conditions and restrictions, which may, from time to time, be prescribed as an integral part of those Tariffs. The consumers under this Tariff will have the option to convert to Regular Tariff and vice versa. This option can be exercised at the time of obtaining a new connection or at the beginning of the season. Once exercised, the option will remain in force for at least one year.
4. All seasonal loads shall be disconnected from the Company's Supply System at the end of the season, specified by the consumer at the time of getting connection, for which the supply is given. In case, however, a consumer requires running the non-seasonal part of his load (e.g., lights, fans, tube-wells, etc.) throughout the year, he shall have to bring out separate circuits for such load so as to enable installation of separate meters for each type of load and charging the same at the relevant Tariff.
5. Where a "Seasonal Supply" consumer does not come forward to have his seasonal industry re-connected with the Company's Supply System in any ensuing season, the service line and equipment belonging to the Company and installed at his premises shall be removed after expiry of 60 days of the date of commencement of season previously specified by the consumer at the time of his obtaining new connection/re-connection. However, at least ten clear days notice in writing under registered post shall be necessary to be given to the consumer before removal of service line and



equipment from his premises as aforesaid, to enable him to decide about the retention of connection or otherwise. No Supply Charges shall be recovered from a disconnected seasonal consumer for any season during which he does not come forward to have his seasonal industry re-connected with the Company's Supply System.

G PUBLIC LIGHTING SUPPLY

"Public Lighting Supply" means the supply for the purpose of illuminating public lamps. The supply under this tariff shall also be applicable for lamps used in public playgrounds and public parks.

Definitions

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

Special Conditions of Supply

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

H RESIDENTIAL COLONIES ATTACHED TO INDUSTRIES

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

Definitions

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

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

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

Special Conditions of Supply

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

TARCTION

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

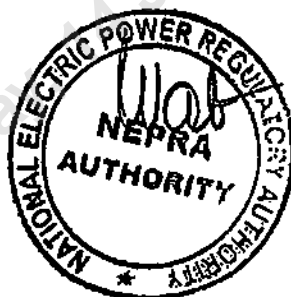


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ANNEX-VI

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date: 9



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

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ANNEX-VI

Annual Working of PPA	
Particulars	Amount
Purchase	118
TAD Import	118
Value after Taxes	118
Value net of incremental costs	118
NP Sales	118
ICA - Rs. 100	118
ICA Import - Rs. 100	118
Life Line	118
Prepaid	118
Provision 200 - April	118
Value	118
Purchase	118
TAD Import	118
Value after Taxes	118
Value net of incremental costs	118
NP Sales	118
ICA - Rs. 100	118
ICA Import - Rs. 100	118
Life Line	118
Prepaid	118
Provision 200 - April	118
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ICA Import - Rs. 100	118
Life Line	118
Prepaid	118
Provision 200 - April	118
Value	118



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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, E-mail: registrar@nepra.org.pk

Registrar

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, 8th 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;

Mln. Rs.		
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
Total	43,371	78,216
Revised - RAB		60,794
WACC		21.14%
RORB		12,852



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

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

Description	Mln. Rs.		
	FY 2020-21	FY 2021-22	FY 2022-23
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	Mln. Rs.	
	FY 2023-24	FY 2024-25
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
Total	65,806	90,685
Revised - RAB		78,245
WACC		21.14%
Revised RORB		16,541



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- ✓ 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.

7 Mark





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.

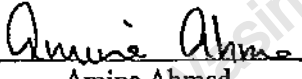
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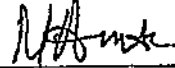





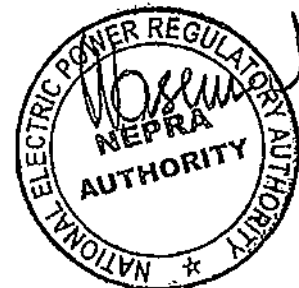
7. Regarding the issue of RoRB for the FY 2024-25, the Authority observed that RoRB of the Petitioner for the FY 2024-25 has been reworked and the impact thereof has made part of the Petitioner PYA, while determining the tariff for the FY 2025-26.
8. Regarding assessment of post-retirement benefits for 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 1st 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
Member


Engr. Maqsood Anwar Khan
Member


Waseem Mukhtar
Chairman





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, E-mail: registrar@nepra.org.pk

No. NEPRA/R/ADG(Tariff)/TRF-100/CPAG/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

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

Wasim Anwar Bhinder
(Wasim Anwar Bhinder)

Copy to:

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



6. The Ministry of Energy (Power Division) (MoE-PD) vide letter dated 18.08.2025, submitted that the Authority determines the consumer-end tariff for XWDISCOs and K-Electric in accordance with Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the NEPRA Act), read with Rule 17 of the NEPRA (Tariff Standards and Procedure) Rules, 1998 and the uniform rebased tariff, once determined by the Authority, is notified by the Federal Government under Section 31(7) of the NEPRA Act. It was further submitted that the latest rebasing was notified on July 1, 2025. In accordance with the NEPRA (Tariff Standards and Procedure) Rules, 1998 read with Part 5 of the NEPRA Determination of Consumer-end Tariff (Methodology & Process) Guidelines, 2015, the Distribution Companies (DISCOs) are required to initiate the tariff determination process by submitting their minimum filing requirements by January 31st 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 1st 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 impact 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 1st 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 1st 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)

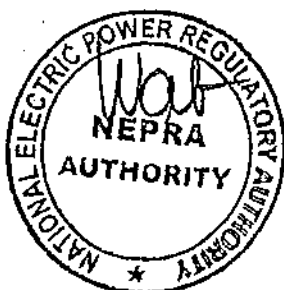


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14. Considering that the PPP constitutes a substantial component of the consumer end tariff, the Authority, in order to ensure transparency and afford an opportunity of hearing to all the stakeholders, decided to conduct a public hearing in the matter. 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 7th October 2025 directed CPPA-G to submit the Power Purchase Price Report in consultation with relevant stakeholders including NGC and ISMO. CPPA-G submitted that, following internal deliberations and consultation with the relevant stakeholders, it prepared and submitted the PPP forecast report for consideration of the Authority.
17. The following synopsis of PPP forecast for CY 2026 was presented by CPPA-G:

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



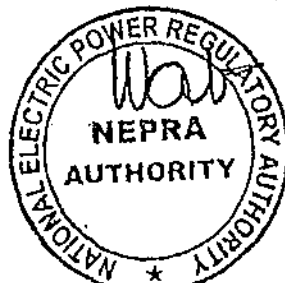


- 19.3. The demand forecast for DISCOs has been developed based on macroeconomic projections and historical electricity consumption trends. Based on historical elasticity estimates and GDP projections by IMF, economic growth is expected to result in a corresponding increase in electricity demand, ranging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

Demand Assumptions - XW-DISCOs		
Months	Demand 132KV 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	12,939
Sept-26	11,499	11,669
Oct-26	9,281	9,419
Nov-26	6,816	6,917
Dec-26	6,843	6,945

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

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



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

Fuel Prices

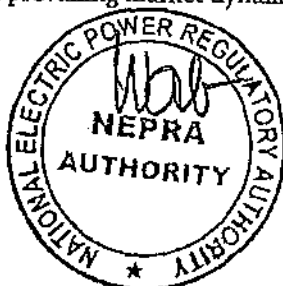
20.4. With regards to the fuel prices, CPPA-G submitted that fuel costs constitute a significant driver of the fuel cost component within the (PPP). Accordingly, the forecast incorporates assumptions for normal fuel prices, based on reputable data sources to ensure accuracy and relevance. For imported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

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

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

Econometric Parameters

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



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Other Assumptions:

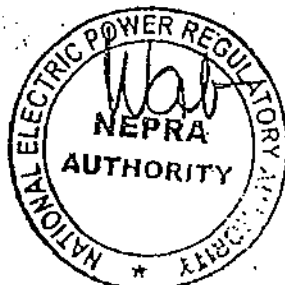
20.12. CPPA-G submitted that the following additional assumptions have been applied in the preparation of PPP references for CY 2026.

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

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

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

Particulars	Unit	Scenario-I	Scenario-II	Scenario-III	Scenario-IV	Scenario-V
Sold to DISCOS	GWh	125,822	125,822	127,815	125,822	125,822
Fuel Cost	Min Rs	999,469	1,024,504	1,023,006	1,031,652	967,286
	Rs./kWh	7.94	8.14	8.00	8.20	7.69
Variable O&M	Min Rs	50,106	51,031	51,245	50,106	50,106
	Rs./kWh	0.40	0.41	0.40	0.40	0.40
Capacity Charges	Min Rs	1,974,602	2,022,158	1,974,602	1,974,602	1,974,602
	Rs./kWh	15.69	16.07	15.45	15.69	15.69
Power Purchase Price (Exc. Trans)	Min Rs	3,024,177	3,097,663	3,048,853	3,056,360	2,991,994
	Rs./kWh	24.04	24.62	23.85	24.29	23.78
Transmission + MOF Charges	Min Rs	1.91	1.91	1.88	1.91	1.91
	Rs./kWh	1.91	1.91	1.88	1.91	1.91
Total	Rs./kWh	25.95	26.53	25.73	26.20	25.69



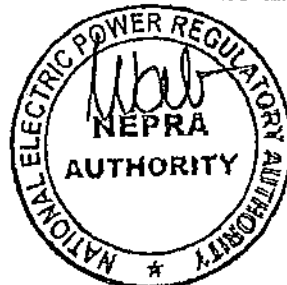
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22. What methodology has been adopted for allocation of generation (GWhs) to DISCOs along with power purchase price cost?

- 22.1. CPPA-G submitted that, the actual monthly consumption pattern of DISCO's at the 132kV level, as observed during the immediately preceding period, has been maintained across all the scenarios. The Authority in its determination for SPA registration has mentioned the allocation of capacity on the basis of coincidental MDI initially, prior to transition to allocation factors. CPPA-G submitted that the implementation of the said mechanism remains contingent upon the Authority's determination in the matter of petition filed by NGC and accordingly, the actual allocation trends would be available once the MSP (NGC) would start providing data in accordance with the determination.
- 22.2. In view of the above, the allocation of CPP to DISCOs continue on non-coincidental basis. For this, the latest MDI data for the CY 2025 have been used for allocation of CPP among DISCOs. During hearing, no DISCO objected either to the criteria or the proposed quantum of energy allocated to each DISCO by CPPA-G.

23. Various stakeholders submitted their comments in the matter. A summary of relevant comments is as under:

- ✓ Mr. Rehan Javed, a commentator, expressed reservations regarding the accuracy and reliability of the data presented by CPPA-G. He submitted that, during the recent quarterly adjustment hearing for XWDISCOs for the first quarter of FY 2025-26, the actual demand reported was lower than CPPA-G's projections. According to him, this outcome reinforces their earlier submissions during the FY 2025-26 rebasing proceedings, which he asserted were more reflective of ground realities.
- ✓ He further highlighted the absence of accurate and consolidated data on behind-the-meter solarization across Pakistan, noting that this gap undermines the credibility of demand forecasts. Mr. Rehan also raised concerns that rapid advancements in battery storage technology could accelerate consumer migration away from the national grid if tariffs are not rationalized. Additionally, he inquired about the rationale for the B2 industrial tariff being lower than the B3 industrial tariff.
- ✓ Mr. Tanveer Barry, a commentator, noted that according to CPPA-G's submissions, the lowest projected Power Purchase Price (PPP) for CY 2026 is Rs.25.69/kWh, while the highest stands at Rs.26.53/kWh. He questioned why no further reduction in PPP is observed, particularly when the Federal Government has recently renegotiated and terminated several IPP contracts. In response, CPPA-G clarified that the impact of these renegotiations had already been incorporated during the previous rebasing, wherein the PPP decreased from Rs.27.00/kWh in FY 2024-25 to Rs.25.98/kWh in FY 2025-26.
- ✓ Mr. Barry further submitted that electricity demand is unlikely to increase in the future due to high tariffs, increasing consumer shift toward solar solutions, and the continued closure of industrial units.
- ✓ Mr. Aamir Sheikh, a commentator, submitted that in the previous rebasing exercise, an exchange rate of PKR 290/USD had been used, as it aligned with the rate incorporated in the Federal Government's annual budget. He requested that the





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 the 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;





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;

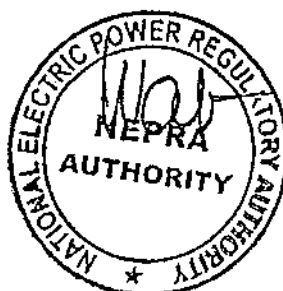
Description	m/MWh												Average
	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	
FESCO	3,070	2,920	2,816	3,423	3,873	3,814	3,744	3,834	3,468	3,524	2,738	3,152	3,377
GEPCO	2,097	2,058	1,913	2,705	2,114	3,730	3,544	3,514	3,167	2,275	1,823	2,076	2,731
IESCO	1,264	1,218	1,459	1,545	2,052	1,595	1,654	1,500	1,715	1,761	1,511	1,415	1,503
SEPCO	566	512	551	1,179	1,091	1,202	1,243	1,262	1,145	824	719	549	947
IESCO	2,740	1,771	1,671	2,352	2,821	3,142	2,970	2,295	2,745	2,138	1,645	2,301	2,374
IESCO	4,222	3,858	4,412	5,847	6,749	6,747	6,731	6,384	6,230	5,492	4,319	4,224	5,502
MEPCO	2,812	2,721	3,418	4,611	5,164	5,315	5,351	5,049	5,178	4,517	3,418	2,793	4,709
FESCO	2,181	1,917	2,492	1,997	2,018	2,618	2,573	2,476	2,202	2,066	1,910	2,215	2,164
IESCO	641	638	667	595	550	581	492	509	511	558	579	648	581
HAZECCO	550	523	542	512	518	457	618	611	645	517	515	601	583
QESCO	1,218	1,394	1,309	1,454	1,715	1,155	1,231	1,137	1,371	1,411	1,411	1,489	1,318
Sub-Total	21,712	19,612	22,657	26,192	29,711	30,728	30,164	29,045	25,125	15,734	20,831	21,513	25,503
K-Electricity	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050
Total	23,762	21,662	24,707	28,242	31,761	32,778	32,214	31,095	27,175	17,784	22,881	23,563	27,553

Description	m/MWh of Rupee												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	
FESCO	9,349	8,284	8,120	11,146	13,940	13,592	13,709	13,215	11,708	10,434	5,429	7,117	122,424
GEPCO	7,385	3,927	5,531	8,099	10,405	11,002	10,154	9,812	9,589	7,591	4,201	5,527	53,228
IESCO	2,587	1,674	2,293	4,122	5,101	4,615	4,554	4,162	3,824	3,836	2,205	2,100	41,322
SEPCO	1,947	1,018	1,244	2,663	2,493	3,617	3,523	3,495	2,413	2,544	1,451	1,425	30,749
IESCO	8,068	4,645	4,474	7,640	10,241	11,211	10,191	9,697	9,250	7,240	4,650	6,793	95,181
IESCO	16,181	8,614	12,577	17,546	22,591	11,101	20,327	20,842	19,750	16,854	9,240	11,013	194,151
MEPCO	9,453	5,209	9,048	13,561	15,816	16,519	15,165	15,535	14,857	12,161	6,482	7,231	142,721
FESCO	8,773	4,455	5,521	5,889	7,711	8,311	8,515	8,451	7,437	5,700	3,818	5,122	80,410
IESCO	1,582	879	1,180	995	1,036	907	841	841	875	969	818	1,162	32,148
HAZECCO	2,612	1,407	1,743	1,860	2,441	2,431	2,047	2,075	2,345	1,800	1,250	1,915	24,106
QESCO	4,362	2,450	3,345	2,954	3,283	3,045	2,822	2,521	3,233	3,211	2,235	3,300	27,050
Sub-Total	72,908	39,745	57,592	76,436	97,109	97,622	90,451	90,667	95,774	71,031	42,458	54,158	879,102
K-Electricity	2,972	4,912	7,720	7,843	8,005	8,137	8,871	8,920	9,131	8,490	6,011	6,113	84,356
Total	80,745	44,657	65,312	84,316	105,114	105,758	99,322	99,587	104,905	79,521	48,469	60,271	963,458

Description	m/MWh of Rupee												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	
FESCO	352	231	358	502	790	774	722	722	615	452	282	215	6,197
GEPCO	278	174	214	365	589	676	577	534	503	410	202	223	4,719
IESCO	101	74	144	165	289	262	259	227	204	213	107	64	2,151
SEPCO	73	45	79	120	158	204	200	189	179	159	71	57	1,576
IESCO	341	205	241	244	581	619	579	541	466	391	215	271	4,834
IESCO	609	382	553	781	1,260	1,241	1,155	1,145	1,011	910	456	441	10,017
MEPCO	356	330	399	611	917	841	861	849	780	667	311	220	7,751
FESCO	311	196	243	265	433	471	484	462	390	308	193	245	4,010
IESCO	60	39	52	48	59	52	48	46	46	52	41	44	516
HAZECCO	58	62	77	64	131	150	116	111	123	97	61	77	1,155
QESCO	164	109	148	134	186	176	160	133	170	173	118	134	1,807
Sub-Total	2,744	1,751	2,540	3,448	5,500	5,544	5,160	4,966	4,503	3,944	2,058	2,187	44,356
K-Electricity	296	217	341	353	512	520	510	491	473	458	291	250	6,719
Total	3,040	1,968	2,881	3,801	6,012	6,064	5,670	5,457	4,982	4,402	2,350	2,437	51,075

Description	m/MWh of Rupee												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	
FESCO	20,431	21,070	18,606	19,185	19,817	18,928	19,189	20,237	18,155	20,187	19,453	20,799	216,847
GEPCO	17,825	14,969	17,552	15,409	15,934	19,411	18,557	16,589	17,627	16,054	13,611	11,700	168,742
IESCO	9,080	9,002	10,819	9,029	10,506	8,367	8,422	7,918	8,278	10,180	11,013	9,315	112,721
SEPCO	3,768	3,729	6,245	6,715	5,583	5,935	6,368	6,558	6,007	5,245	5,075	3,676	65,055
IESCO	34,908	12,875	10,852	13,399	14,437	15,512	15,216	14,750	14,368	12,267	11,453	14,523	164,661
IESCO	37,760	78,058	28,741	33,303	34,522	33,107	34,490	33,622	32,612	31,721	30,131	28,263	381,769
MEPCO	18,919	19,798	22,452	26,438	26,527	26,438	27,415	26,450	27,061	26,190	23,935	18,429	250,152
FESCO	14,556	12,943	15,946	10,852	10,217	13,973	15,478	13,097	14,144	11,951	13,310	15,167	155,561
IESCO	4,256	4,619	4,311	3,390	2,814	2,870	2,522	2,587	2,841	3,229	4,147	4,278	42,018
HAZECCO	3,051	3,826	4,161	2,919	2,702	2,745	3,215	3,227	3,479	3,109	3,528	3,874	41,281
QESCO	8,309	10,144	8,501	8,245	6,782	5,204	6,310	6,002	7,179	6,278	9,818	8,890	95,068
Sub-Total	144,513	142,632	143,215	148,108	150,002	151,488	154,524	153,291	152,453	145,871	145,043	144,073	1,777,431
K-Electricity	13,645	14,909	13,309	11,677	10,491	10,120	10,002	10,819	10,731	11,859	14,773	13,529	145,853
Total	158,158	157,541	156,524	159,785	160,493	161,607	164,525	164,111	163,183	157,730	159,816	157,602	1,923,284

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XWDISCOs (with K-Electric)

Annex-I

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	12,723	10,360	7,783	7,621	125,822

Fuel Cost Component	10,3954	6,7337	7,9952	8,2498	8,4315	7,7138	7,0929	7,0998	7,4596	7,8696	6,2441	8,0165	7,7378
Variable O&M	0.3912	0.2967	0.3527	0.3719	0.4775	0.4390	0.4029	0.3880	0.3916	0.4269	0.3019	0.3211	0.3900
Capacity	20,3515	23,7442	19,1671	15,7406	12,7487	11,7432	11,7260	11,6594	12,8262	15,5146	20,4691	20,4052	15,2860
UoSC	2,2195	2,3699	2,1429	2,0058	1,8083	1,7223	1,6615	1,6050	1,7786	1,9467	2,1340	2,2444	1,9075
Total PPP In Rs. / kWh	33,3575	33,1445	29,6579	26,3681	23,4661	21,5883	20,8833	20,7823	22,4560	25,7558	29,1490	30,9871	25,3213

Fuel Cost Component	80,786	44,678	65,312	84,316	105,144	106,558	99,822	99,847	94,906	81,529	48,593	61,091	973,588
Variable O&M	3,040	1,969	2,881	3,801	6,012	5,064	5,670	5,457	4,582	4,402	2,350	2,447	49,075
Capacity	158,158	157,541	156,575	160,875	160,993	161,807	165,025	164,111	163,183	160,730	159,316	152,501	1,923,316
UoSC	17,248	15,724	17,506	20,500	21,765	21,793	23,383	22,572	22,629	20,157	18,609	17,104	240,000
Total PPP In Rs. / kWh	259,232	219,912	242,273	269,492	295,413	298,222	293,900	291,987	285,701	266,829	226,874	236,143	3,185,979

It is clarified that PPP is pass through for all DISCOs and its monthly references would continue to exit 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	965	950	1,072	1,184	1,265	1,265	1,224	1,079	957	777	12,239

Fuel Cost Component	10,3954	6,7337	7,9952	8,2498	8,4315	7,7138	7,0929	7,0998	7,4596	7,8696	6,2441	8,0165	7,7116
Variable O&M	0.3912	0.2967	0.3527	0.3719	0.4775	0.4350	0.4029	0.3680	0.3916	0.4249	0.3019	0.3111	0.3856
Capacity	18,0079	20,3551	13,7831	12,2880	9,7895	8,5437	8,3030	8,5539	8,7668	10,9931	14,7538	17,4006	11,9174
UoSC	1.9659	2.0316	1.5410	1.5659	1.3886	1.2553	1.1765	1.1765	1.2157	1.3793	1.5381	1.9139	1.4589
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	94,386
Variable O&M	296	217	341	353	512	520	510	491	479	458	292	250	4,719
Capacity	13,645	14,909	13,309	11,677	10,481	10,120	10,502	10,819	11,859	14,273	14,273	13,529	145,863
UoSC	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. / Mln	23,306	21,546	22,858	21,359	21,526	21,265	21,470	21,778	21,829	22,296	22,094	21,499	252,824

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 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)	710	592	592	592	1,234	1,426	1,432	1,382	1,284	965	673	591	12,063

Fuel Cost Component	10,3954	6,7337	7,9952	8,2498	8,4315	7,7138	7,0929	7,0998	7,4596	7,8696	6,2441	8,0165	7,7334
Variable O&M	0.3912	0.2967	0.3527	0.3719	0.4775	0.4390	0.4028	0.3880	0.3916	0.4249	0.3019	0.3711	0.3920
Capacity	19,4608	25,2677	18,1446	15,6949	12,9136	12,9079	12,6828	13,4317	13,7259	16,6434	19,3734	19,8360	15,6051
UoSC	2,1223	2,5219	2,0286	2,0000	1,8317	1,8980	1,7971	1,8474	1,9034	2,0883	2,0197	2,1818	1,9719
Total PPP in Rs. / MWh	32,3697	34,6201	28,5211	26,3466	23,6544	22,9587	21,9757	22,7670	23,4805	27,0263	27,9391	30,3554	25,7025

Fuel Cost Component	7,385	3,389	5,531	8,099	10,404	11,002	10,154	9,813	9,530	7,591	4,203	5,537	93,288
Variable O&M	278	176	244	365	589	626	577	536	503	410	203	222	4,729
Capacity	13,825	14,969	12,552	15,409	15,934	18,411	18,157	18,565	17,627	16,054	19,041	13,700	188,243
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 PPP in Rs. / MWh	22,995	20,628	19,731	25,837	29,188	32,747	31,460	31,407	30,154	26,069	28,805	20,965	310,048

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



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	1,956	2,143	2,138	2,188	1,992	1,571	1,038	902	18,427

Fuel Cost Component	10,3954	6,7337	7,9952	8,2498	8,4315	7,7138	7,0929	7,0993	7,4596	7,8696	6,2441	8,0165	7,7208
Variable O&M	0.3912	0.2957	0.3527	0.3719	0.4775	0.4390	0.4029	0.3980	0.3916	0.4249	0.3013	0.3211	0.3935
Capacity	20,7816	25,5958	19,8383	16,1204	13,2923	12,3984	12,8215	12,1059	13,5867	16,6733	23,0583	20,4208	15,7459
UnSC	2,2664	2,5547	2,2180	2,0542	1,8854	1,8143	1,8168	1,8650	1,8841	2,0921	2,4039	2,2461	1,9898
Total PPP In Rs. / kWh	33,8345	35,1810	30,4041	28,7963	24,0868	22,3054	22,1940	21,2589	23,3220	27,0599	32,0082	31,0045	25,8500

Fuel Cost Component	9,463	5,209	9,048	23,561	16,876	16,529	15,166	15,535	14,857	12,361	6,482	7,235	142,273
Variable O&M	356	230	399	611	953	941	861	849	780	667	313	290	7,251
Capacity	18,919	19,798	22,452	26,498	26,527	26,438	27,415	26,490	27,061	26,150	23,935	18,429	290,152
UnSC	2,063	1,976	2,510	3,377	3,763	3,883	3,885	3,643	3,753	3,286	2,495	2,027	96,665
Total PPP In Rs. Min	30,801	27,213	34,409	44,047	48,069	47,795	47,327	46,518	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 Govt



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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)	187	151	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	7,4596	7,5696	6,2441	8,0165	7,5968
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	0.3944
Capacity	20,1231	24,6701	27,9197	20,7993	13,4786	12,6893	12,8196	13,5770	13,1281	14,2868	21,6948	20,3917	16,2837
UoSC	2,2946	2,4623	3,1215	2,6504	1,9118	1,8615	1,8165	1,8811	1,8205	1,7916	2,2618	2,2418	2,0554
Total PPP in Rs. / kWh	33,1042	34,1629	39,3890	32,0714	24,2995	22,6735	22,1318	23,0460	22,7998	24,3740	30,5025	30,5611	26,4402

Fuel Cost Component	1,947	1,018	1,788	2,863	3,493	3,517	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	5,383	5,335	6,368	6,658	6,007	5,345	5,075	3,626	65,055
UoSC	411	372	698	856	792	873	902	916	833	671	539	399	8,251
Total PPP in Rs. / Min	6,199	5,163	8,810	10,354	10,066	10,530	10,993	11,219	10,433	9,119	7,336	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 Govt.



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	209	218	225	290	341	289	285	314	229	202	241	3,034

Fuel Cost Component	10.3954	6.7337	7.9952	8.2498	8.4315	7.7138	7.0929	7.0998	7.4596	7.8696	6.2441	8.0165	7.7904
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	0.3861
Capacity	15.3645	18.2135	19.0844	12.9483	9.3308	9.5135	11.1406	11.3760	11.0665	13.5945	17.7870	16.4828	13.3440
UoSC	1.6756	1.8179	2.1337	1.6500	1.3235	1.3989	1.5786	1.5864	1.5346	1.7058	1.8543	1.8130	1.6424
Total PPP in Rs. / kWh	27.8257	27.0619	29.5660	23.2200	19.5632	19.0651	20.2150	20.3603	20.4523	23.5948	26.1873	26.6333	23.1629

Fuel Cost Component	2.612	1.407	1.743	1.860	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	444	482	390	374	438	5,082
Total PPP in Rs. / Mln	6,993	5,655	6,447	5,235	5,664	6,502	5,835	5,806	6,430	5,597	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



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	662	690	714	917	1,080	1,200	1,191	996	724	639	754	10,373

Fuel Cost Component	10,3954	6,7337	7,9952	8,2498	8,4315	7,7138	7,0929	7,0998	7,4596	7,8086	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	0.4248	0.3019	0.3211	0.3866
Capacity	18,3284	21,0717	23,1516	15,2153	11,3173	12,0104	10,9777	10,9754	14,2064	16,5018	20,9311	19,8188	15,3849
UoSC	1,9988	2,1031	2,5884	1,9389	1,6053	1,7660	1,5555	1,5085	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	20,0290	19,9728	24,0277	26,8659	29,6592	30,3363	25,4245

Fuel Cost Component	8,273	4,486	5,571	5,889	7,731	8,331	8,525	8,453	7,427	5,700	3,988	6,127	80,410
Variable O&M	311	196	243	265	438	474	484	462	390	308	193	245	4,010
Capacity	14,586	13,943	15,986	10,862	10,377	12,972	13,178	13,067	14,144	11,952	13,370	15,147	159,593
UoSC	1,591	1,392	1,787	1,384	1,472	1,907	1,867	1,797	1,961	1,500	1,394	1,665	19,718
Total PPP in Rs. / kWh	24,761	19,987	23,537	18,401	20,017	23,684	24,044	23,779	23,922	19,459	18,965	23,185	263,722

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 Govt

2025-26



FUEL PRICE ADJUSTMENT MECHANISM

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

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

Where:

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

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

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

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

[Tariff / MYT-2025-26]



S. M. Fatima
(Syed Matoon Ahmed)
Deputy Secretary (T&S)
Ministry of Energy
(Power Division)

