

**BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
ISLAMABAD.**

**The Lahore Electric Supply Company Ltd, (LESCO) 22-A, Queens Road, Lahore through its
Chief Executive Officer Mr. Mohammad Azhar Iqbal.**

PETITIONER

**PETITION FOR DETERMINATION OF REVENUE REQUIREMENT AND
TARIFF FOR FY 2010-11.**

Respectfully Submitted,

1. That Lahore Electric Supply Company Limited (LESCO) is an ex-WAPDA DISCO owned by the Government of Pakistan. As a result of structural reforms introduced by the Government in the Power Sector, LESCO was incorporated as a Public Limited Company having Registration No. L-09415 of 1997-98 (old) and 0038810 (new) and Certificate of Incorporation No. JRL-6278 dated February 18, 1998 under Companies Ordinance 1984. Accordingly, LESCO has been granted a Distribution License bearing No. 03/DL/2002 by the National Electric Power Regulatory Authority (NEPRA) on April 01, 2002. LESCO is providing a public utility service of distribution and supply of electricity within the territories as defined in its License.
2. That NEPRA, Under the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter NEPRA Act), is responsible for regulating the electricity sector in Pakistan which includes determining the revenue requirement, tariffs and other terms and conditions for the supply of electricity by the generation, transmission and distribution companies and to recommend the same to the Federal Government for notification. For this purpose NEPRA has laid down certain guidelines and procedures under the NEPRA Tariff Standards and Procedures Rules, 1998.
3. That LESCO, being a bona fide power distribution licensee, requires adequate revenue in order to perform its obligatory duties prescribed by NEPRA under the NEPRA Act, NEPRA Performance Standards (Distribution) Rules 2005, NEPRA Consumer Eligibility Criteria, 2003, Distribution License of LESCO and other obligations as determined by NEPRA from

time to time. The main sources of funding available to the petitioner for its revenue requirements are; (i) generation of adequate revenue through tariff and (ii) borrowings.

4. That in order to fulfill and perform its obligatory duties as mentioned above and to ensure financial viability of LESCO by recovering its prudently incurred costs and reasonable return, in order to upkeep and maintain its existing distribution services/network and to support the future investments for expansion of distribution services/network, this petition is being filed for FY 2010-11 through its Chief Executive Officer Mr. Mohammad Azhar Iqbal, who has been duly authorized to sign and file this petition by the Board of Directors of LESCO vide its resolution passed in the Board meeting held on February 20th, 2010. An extract of this resolution is attached as **Annex-1**.
5. That vide said resolution following officers have also been authorized by the Board of Directors LESCO to submit and sign, individually or jointly, the documents necessary in support of this petition and to appear before NEPRA and represent LESCO in and during the proceedings of this petition:-

| | | |
|----|----------------------------|--|
| A. | Mr. Mohammad Azhar Iqbal | Chief Executive Officer |
| B. | Mr. Rana Mohammad Ajmal | Technical Director/ Operation Director |
| C. | Mr. Farasat Zaman | Customer Services Director |
| D. | Mr. Saghir Ahmad | Human Resource & Admin Director |
| E. | Mr. Abid Latif Lodhi | Finance Director |
| F. | Mr. Sayyed Mubashar Masood | Legal Director / Company Secretary |
| G. | Mr. Imtiaz Ahamd Butt | Manager MIS |

6. That the grounds and facts forming the basis of this petition are as under:-

- i. The Distribution Margin determined in the NEPRA's previous determinations is not sufficient to meet with LESCO's proposed revenue requirements for FY 2010-11 on account of the increase in the asset base, the inflationary trend, salaries, new hiring, repair and maintenance etc.
- ii. Due to delayed determinations/notifications etc., LESCO has not been able to recover the determined revenue requirement, implement its envisaged investment plan in time and derive the timely benefits thereof. Hence, LESCO is entitled to claim the portion of the revenue requirement which could not be recovered due to the delay.
- iii. LESCO strongly feels that the baseline of the T&D losses determined by NEPRA in its determination dated 23-02-2007 is unjustified and unrealistic. The subsequently determined target for the T&D losses is based on the aforementioned baseline and hence was unrealistic. Therefore, this pre-determined baseline needs to be revisited and rationalized and the separate targets of Transmission and Distribution losses for FY 2010-11 be fixed accordingly.
- iv. Till date, the tariff determined for the 1st quarter of FY 2009-10, as notified vide SRO 1129 dated Dec 21st, 2009, is applicable whereas the determinations for the 2nd, 3rd and 4th quarters of FY 2009-10 are still to be made. As a result, LESCO could not recover its revenue requirement in a timely fashion resulting in a shortfall in the recovery of the determined revenue requirement.

The aforementioned position necessitates revision in tariff for FY 2010-11. This petition is, therefore, being filed in accordance with the NEPRA Tariff Standards and Procedure Rules

1998 Part II Section-3 and with the intent that tariff for FY 2010-11 be determined, notified and effective from the very first day of the FY 2010-11.

7. Objectives of the Petition

The aim of this petition is to obtain approval for the timely implementation of cost reflective tariffs to yield LESCO's required revenues for FY 2010-11 and its recovery from consumer.

The implementation of cost reflective tariffs will benefit consumers and LESCO, as it will;

- i) Enable LESCO to improve service quality and reliability.
- ii) Provide adequate funds for the operation, maintenance and expansion of distribution network.
- iii) Ensure the financial sustainability of LESCO.

8. LESCO's Revenue Requirement

- A) Distribution Margin
- B) Power Purchase Price
- C) Unrecovered Cost (Prior Period Adjustment)

The detail of each component of the revenue requirement is discussed below:

A. Distribution Margin

The distribution margin covers LESCO's O&M costs, depreciation, other income and return on regulatory asset base. The detail of distribution margin is as follows:

- i. **O & M Expenses:** It includes salary, house acquisition, employees' retirement benefits, repair & maintenance and other operating costs related to LESCO's distribution and supply business. The detail of which is as under:-

- a. **Salary:** Salary, including employee benefits, is the major component of O & M expenses. Since the petitioner was incorporated as a company in compliance with the power sector reform policy of the Government of Pakistan (GOP), and the WAPDA employees working in the Lahore Area Electricity Board gradually became employees of the petitioner in terms of the Manpower Transition Plan, therefore LESCO had to maintain the GOP pay scales and the terms of employment for the employees which were prevalent in WAPDA. The GOP, in its annual budget for FY 2009-10, increased the running basic pay of Govt. employees @ 20% and the same is being adopted for FY 2010-11. Similarly 5% increase from December, 2010 onwards is assumed as an effect of annual increment. Employee benefits have been based on the average of the annual increase in the last three audited years. On these assumptions the working of salary & employee benefits comes out to be Rs. 4,625 million. A comparative view of previous years is shown in the table below:-

| Description | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|-------------------|--------------|--------------|--------------|--------------|--------------|
| | | Actual | | Prov. | Estimated |
| Basic Pay | 1,145 | 1,419 | 1,745 | 2,145 | 2,636 |
| Employee Benefits | 1,164 | 1,273 | 1,511 | 1,734 | 1,989 |
| Total | 2,309 | 2,692 | 3,256 | 3,879 | 4,625 |
| % Change | | 14% | 21% | 19% | 19% |

In addition to the estimated figure of Rs. 4,625 million an amount of Rs. 379 million has also been estimated on account of new hiring cost for the period of 01-07-2010 to 30-06-2011.

- b. **House Acquisition** has been based on the average annual increase in the last three audited years, which works out to be Rs. 653 million. The comparative figures for house acquisition are shown in the table below:-

Table-2 (million Rs.)

| Description | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|-------------------|---------|---------|---------|---------|---------|
| House Acquisition | 359 | 411 | 475 | 557 | 653 |
| % Change | 22% | 14% | 16% | 17% | 17% |

- c. **Employee's Retirement Benefits** have been based on the average of the annual increase in the last three audited years. The comparative employee retirement benefits are tabulated below:-

Table-3 (million Rs.)

| Description | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|------------------|--------------|--------------|--------------|--------------|--------------|
| Pension | 1,583 | 1,775 | 2,171 | 2,541 | 2,974 |
| Medical | 326 | 353 | 394 | 438 | 487 |
| Utility Expense | 197 | 278 | 444 | 625 | 748 |
| Leave Encashment | 174 | 76 | 128 | 140 | 154 |
| Total | 2,280 | 2,482 | 3,137 | 3,744 | 4,363 |
| % Change | 17% | 09% | 26% | 19% | 16% |

- d. **Repair & Maintenance:** The R & M expenses have been assumed @3.50% of the net fixed assets which comes out to be Rs.1465 million.

- e. **Other Operating Expenses** include rent rates & taxes, utility expenses, communications, office supplies, traveling expenses, professional fees, auditor remunerations, outsourced services, management fees, vehicle running & maintenance, electricity bill collection expenses, directors' fees and bad debt expenses. The comparative other operating expenses are tabulated below:

Table-4 (million Rs.)

| Account Heads | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---------------------------------------|------------|---------------|---------------|---------------|
| Rent, Rates and Taxes | 34 | 33 | 34 | 36 |
| Utility expenses | 35 | 40 | 45 | 50 |
| Communication | 22 | 23 | 24 | 24 |
| Office supplies and other expenses | 61 | 62 | 71 | 80 |
| Travelling Expenses | 122 | 134 | 141 | 148 |
| Professional fees | 18 | 26 | 29 | 31 |
| Auditors' remuneration | 0.50 | 0.60 | 0.72 | 0.79 |
| Outsourced Services | 1.91 | 2.50 | 2.50 | 2.75 |
| Management fees | 92 | 103 | 104 | 106 |
| Vehicle running and maintenance | 166 | 249 | 291 | 343 |
| Miscellaneous Expenses | 79 | 65 | 78 | 93 |
| Sub Total | 630 | 737 | 820 | 915 |
| Yearly %age Change | | 16.98% | 11.26% | 11.64% |
| Electricity bills Collection expenses | 255 | 233 | 293 | 299 |
| Director's Fees | 0.50 | 1.09 | 0.98 | 1.33 |
| Bad Debt Expenses | - | 1,542 | - | - |
| Total | 886 | 2513 | 1,114 | 1,214 |

Except for the electricity bill collection expenses, directors' fees and bad debt expenses, all other operating expenses have been worked out based on the average of the annual increase in the last three audited years.

ii. Depreciation:

The depreciation for FY 2010-11 is calculated on the basis of: (i) the value of existing assets; plus (ii) addition in assets during FY 2010-11. The assets will be depreciated on a straight-line method as per utility practice i.e. land @ 0%, buildings & civil works @ 2%, plant and machinery @ 3.5%, office equipment @ 10%, mobile plant & equipment @ 10% and other assets @ 10%. Based upon these assumptions, the figures for depreciation works out to be Rs 2,051 million.

iii. Return of Rate Base (RORB):

$$\text{RORB} = \text{Rate Base} \times \text{WACC}$$

Where:

$$\text{Rate Base} = \text{Net Fixed Assets in Operations} + \text{Additions during the year} - \text{Deferred Credits (assets not financed by LESCO)}$$

And

$$\text{WACC} = \text{Weighted Average Cost of Capital has been taken as determined by NEPRA in its determination dated 10-12-2009 i.e. 17.3% (pretax).}$$

The working of Rate Base is tabulated below:

| Description | 2009 | 2010 | 2011 |
|---|--------|--------|--------|
| Opening Gross Fixed Assets (GFA) | 31,716 | 37,680 | 47,960 |
| Add: Transferred during the year | 5,964 | 10,280 | 9,305 |
| Closing GFA | 37,680 | 47,960 | 57,265 |
| Less: Accumulated Depreciation | 11,588 | 13,300 | 15,350 |
| Net Fixed Assets in Operation | 26,092 | 34,660 | 41,914 |
| Add: Capital WIP (Closing) | 2,645 | 4,406 | 3,988 |
| Total Fixed Assets | 28,737 | 39,066 | 45,902 |
| Less: Deferred Credits (assets not financed by LESCO) | 18,597 | 21,548 | 24,404 |
| Total Assets Base | 10,140 | 17,518 | 21,498 |
| Regulatory Assets Base | 9,069 | 13,829 | 19,508 |

iv. Development / Investment plan:

LESCO intends to execute its development / investment plan for FY 2010-11 in the areas of development of power (DOP), energy loss-reduction (ELR), secondary transmission and grid (STG) and others, the amounts whereof are Rs.550 million (own resources), Rs.750 million, Rs.3,508 million and Rs.536 million respectively. The summary whereof is as under:

Table-6

(Million Rs)

| # | Description | 2009-10 Estimated | 2010-11 Projected | Remarks |
|---|------------------------------|----------------------|----------------------|---------|
| 1 | Development Of Power: (DOP) | 450 | 550 | |
| 2 | Energy Loss Reduction: (ELR) | 772 | 750 | |
| 3 | STG: | | | |
| A | -Own Resources | 2,703 | 1,667 | ANNEX-2 |
| B | -World Bank loan | 1,096 | 736 | ANNEX-3 |
| c | -Asian Dev. Bank loan | 1,183 | 1,105 | ANNEX-4 |
| 4 | TOU Meters | 1,594 | 0 | |
| 5 | Others | 716 | 536 | |
| | Total | 8,514 | 5,344 | |

v. Other Income:

This includes markup on bank deposits, late payment surcharge, amortization of deferred credits and income from other sources, the detail whereof has been shown in the table below. Except for the amortization of deferred credits, sale of scrap and profit on bank deposit, the average annual increase in the last three years has been applied on the estimated figures of 2009-10. The banks have offered profit rates of up to 17% on daily product basis during FY 2008-09 as against 11.75% in the FY 2007-08, which was the main reason for hike in this head but is not expected in FY 2010-11. Therefore, Other Income estimated on the assumptions discussed above is mentioned hereunder:

Table-7

(million Rs.)

| Description | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--------------------------------------|-------------|-------------|--------------|-------------|-------------|
| Amortization of Deferred Credits | 384 | 449 | 486 | 575 | 687 |
| Profit on bank deposit | 419 | 434 | 1,030 | 477 | 502 |
| Scrap Sales | 61 | 89 | 36 | 36 | 36 |
| Service fee for collection of TV Fee | 97 | 108 | 115 | 115 | 126 |
| Non-utility operations | 279 | 356 | 304 | 304 | 312 |
| Miscellaneous | 244 | 285 | 431 | 431 | 505 |
| Meter & Service Rentals | 255 | 396 | 460 | 460 | 524 |
| Late Payment Surcharge | 628 | 717 | 903 | 903 | 1083 |
| Total | 2367 | 2834 | 3,765 | 3301 | 3775 |

The estimated figures of O&M cost, Depreciation, RORB and Other Income is based on the Audited Statements for FY 2008-09 and provisional accounts for FY 2009-10 (actual for the period 01-07-2009 to 21-12-2009 and estimated for the period of 01-01-2010 to 30-06-2010) and their sum total results in LESCO's distribution margin. Dividing this sum total by the total units to be sold (estimated 15,400 M kWh) yields the average distribution margin per kWh. Accordingly, the distribution margin for year 2010-11 comes at Rs. 14,361.00 Million or Rs.0.933 per kWh. The detail of total distribution margin is summarized as under:

Table-8

(million Rs.)

| Description | 2009-10 (Provisional) | 2010-11 Estimated |
|--------------------|--------------------------|----------------------|
| O & M Expenses | 10,821 | 12,708 |
| Depreciation | 1,704 | 2,051 |
| RORB | 2,406 | 3,377 |
| Other Income | (3,301) | (3,775) |
| Total D. M. | 11,630 | 14,361 |

B. Power Purchase Cost

As a matter of fact, the cost of the electricity purchased is a “pass through item,” to be recovered from the consumer through the tariff, without affecting LESCO’s Distribution Margin. The Power Purchase Cost is adjusted with the allowed T&D losses.

The power purchase cost, projected for FY 2010-11, has been worked out on the basis of the average purchase rate assumed by NEPRA in its determination dated 10-12-2009 for FY 2009-10 i.e. Rs.6.73/kWh.

Baseline for the determination of the Transmission & Distribution Losses

In terms of the determination dated 23-02-2007 NEPRA laid down the Baseline for Transmission and Distribution losses, separately, as follows:

a. Distribution Losses

FY 2005-06

Authority presumed that LESCO, in view of its envisaged investment on ELR, would have been able to reduce its Distribution Loss from 13.2% (actual of 2004-05) by 0.66% so Target was presumed as 12.54%.

FY 2006-07

Authority presumed in the same determination that LESCO would be able to further reduce its Distribution Loss from 12.54% (Target presumed for 2005-06) by another 1.25% so Target for 2006-07 was fixed at 11.29%.

(In one determination the Target of Distribution Loss was reduced by 2%)

b. Transmission Loss

Transmission loss Target for 2006-07 was fixed at 3% which was to be adjusted on actual basis; LESCO to provide data of 12 consecutive months.

Accordingly T&D Loss Target for FY 2006-07 was fixed at 14.29%

c. Since the mechanism for calculating the Transmission loss was [and still is] inaccurate due to the time lapse in the reading of meters installed at the Combined Distribution Points (CDPs) and the incoming 11-kV panel at the grids, therefore the transmission loss could not be calculated accurately. Accordingly, based on this inaccuracy, the figures provided to the Authority are as under:-

- i. (0.14%) for FY 2006-07
- ii. 0.42% for FY 2007-08
- iii. 0.6% for FY 2008-9

d. These figures have NO possible technical justification and hence should not have formed the baseline.

e. Similarly the 2% reduction in the Target of Distribution Loss for the period 2005-07 by NEPRA vide its determination dated 23-02-2007, was based solely on the presumption that LESCO would be able to reduce its Distribution Losses on account of the envisaged investment on ELR. This was unjustified and unrealistic, as the actual data for this period, being available, should have been taken into account rather than basing the target on presumptions.

f. NEPRA, vide its determination dated 10-12-2009, determined the target of T&D losses for FY 2009-10 as 12%, including 1% of Transmission losses without adjusting the baseline as against the requested figure of 13.22% (distribution losses of 12% and transmission losses of 1.22%).

g. For the verification of losses in its transmission system, LESCO conducted two studies i.e. one conducted in-house and the other by an independent third party through simulation. The results of these studies are as under:

1- Study conducted by LESCO (Sample Location Basis) (Annex-5)

| | <u>1</u> | <u>2</u> | <u>3</u> | <u>Avg.</u> |
|-----------------------|--------------|--------------|--------------|--------------|
| Transformation Losses | 0.03% | 1.38% | 0.95% | 0.78% |
| Transmission Losses | 2.49% | 2.08% | 3.52% | 2.70% |
| Total | 2.52% | 3.46% | 4.47% | 3.48% |

2- Study conducted by third party i.e. M/s Power Planners International (Annex-6)

| | |
|--------------------------|--------------|
| a. Transformation Losses | 0.67% |
| b. Transmission Losses | 2.29% |
| Total | 2.96% |

C. Unrecovered Costs (Prior Period Adjustment)

NEPRA determined the consumer end tariff for 1st Qtr of FY 2009-10 on 10-12-09 which is applicable to date i.e. the date of the filing of this tariff petition for FY 2010-11. The actual figures of Revenue earned from July-2009 to Jan-2010 have already been received which amounts to Rs.64,582 million. Now, keeping the units to be sold as the same as determined by NEPRA in its determination dated 10-12-2009 i.e. 14,528 GWh, the revenue to be earned from Feb-2010 to June-2010 has been estimated to be Rs.64,402 million which is summarized as under:

Table-9

(million Rs.)

| Description | Units Sold (GWh) | Revenue from Consumer | Tariff Subsidy | Total Revenue |
|--------------------------------------|------------------|-----------------------|----------------|-----------------|
| July-09 to Jan-10 | 8,131 | 50,670 | 13,910 | 64,581 |
| Feb-10 to Jun-10 | 6,397 | 46,823 | 17,579 | 64,402 |
| Total | 14,528 | 97,493 | 31,489 | 128,983 |
| Revenue Requirement (2009-10) | | | | 139,258 |
| Estimated Un-recovered Cost | | | | (10,275) |

D. Summary of revenue requirement

The revenue requirement as explained in detail above is summarized in the table below:-

Table-10

(million Rs.)

| Description | Mln. Rs. |
|-------------------------------------|----------------|
| Distribution Margin | 14,361 |
| Power Purchase Cost | 119,202 |
| Un-recovered Cost (Prior Year Adj.) | 10,275 |
| Total | 143,838 |

- E. Consumer-end Tariff:** - For the FY 2010-11, LESCO's existing tariff requires to be adjusted according to the estimates of Power Purchase Cost (adjusted), Distribution Margin and the unrecovered cost as explained in detail hereinabove.
9. That in order to ensure the financial viability of the petitioner, its revenue requirements, required for the FY 2010-11, consisting of Power Purchase Price (adjusted), Distribution Margin and unrecovered cost, LESCO's existing tariff (Qtr-1 of FY 2009-10) is proposed to be adjusted in terms of the estimates/projections justified and explained hereinabove. Accordingly the comparative table of existing tariff design and proposed tariff design on the basis of categories of consumers likely to be affected by such modification is provided at **Annex-9**.
10. That this Petition is being filed in compliance of the Ministry of Water & Power direction given in its letter No.PI-10(12)/2009 dated 09-02-2010 endorsed by PEPCO vide its letter No.DG-3-N/PEPCO/681-85 dated 11-02-2010 by fulfilling the requirements of the NEPRA Tariff Standards and Procedure Rules 1998 Part II Rule-3.
11. That the following summary, giving brief particulars of data, facts and evidence in support of this petition (annexed herewith) forms an integral part hereof:-
- | | |
|---|------------|
| A. Copy of Resolution of Board of Directors LESCO | (Annex-1) |
| B. Revenue Requirement for FY 2010-11 | (Annex-7) |
| C. Category-wise units sold, proposed tariff and revenue FY 2009-10 | (Annex-8) |
| D. Comparative Schedule of Tariff | (Annex-9) |
| E. Financial Statements (Three years comparison) | (Annex-10) |
| F. Summary of Revenue Requirement | (Annex-11) |
12. That in view of the grounds and facts mentioned above, it is respectfully prayed that while admitting and allowing this petition, the tariff of LESCO for the FY 2010-11 may very graciously be determined as estimated hereinabove by keeping in view the following:-
- Ensuring the financial viability of the petitioner for the reliable supply of electricity to its 3.1 million consumers;
 - Timely determination of tariff along with its monthly adjustments, providing sufficient time to the petitioner for the recovery of the determined revenue requirement.
 - Redefining the baseline for determination of target of T&D losses by taking a realistic approach in view of the determination dated 23-02-2007;
 - Fixing of the target of T&D losses according to the re-defined baseline and keeping in view the delayed / non-recovery of determined revenue requirements including investment on account of late determination/notification;
 - Approving the investment plan of Rs. 5,344 million;
 - Allowing Rs. 14,361 million as Distribution Margin;
 - Any other relief.


PETITIONER

The Lahore Electric Supply Company Ltd.

Through:

Mohammad Azhar Iqbal

Chief Executive Officer LESCO

Dated: 01-03-2010

Lahore Electric Supply Company Limited
Summary of Revenue Requirements

| Description | Units | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|--|-----------------|---------------|---------------|----------------|----------------|
| | | Actual | | Prov. | Estimated |
| Sales | GWh | 13,766 | 13,168 | 14,528 | 15,400 |
| Distribution and Transmission losses | % age | 12.85 | 13.28 | 13.22 | 13.02 |
| Purchases | GWh | 15,795 | 15,184 | 16,741 | 17,705 |
| Power Purchase Price (PPP) | Mln. Rs. | 72,449 | 82,197 | 112,714 | 119,202 |
| Power Purchase Price (PPP) | Rs./kWh | 4.59 | 5.41 | 6.73 | 6.73 |
| Power Purchase Price (PPP) -Adjusted | Rs./kWh | 5.26 | 6.24 | 7.76 | 7.74 |
| Operating & Maintenance Costs | | | | | |
| Pay and Allowances | Mln. Rs. | 5,585 | 6,868 | 8,180 | 9,642 |
| Other operating & Admn. Expenses | Mln. Rs. | 886 | 971 | 1,436 | 1,600 |
| Insurance | Mln. Rs. | - | - | - | - |
| Maintenance Expenses | Mln. Rs. | 799 | 923 | 1,206 | 1,467 |
| Provision for Bad Debts | Mln. Rs. | - | 1,542 | - | - |
| GOP Tariff Subsidy - LESCO Share | Mln. Rs. | 2,665 | 14,821 | 31,489 | - |
| Total | Mln. Rs. | 9,935 | 25,125 | 42,310 | 12,708 |
| Revenue Requirement | Mln. Rs. | | | | |
| Power Purchase Price | Mln. Rs. | 72,449 | 82,197 | 112,714 | 119,202 |
| O&M Cost | Mln. Rs. | 7,270 | 8,762 | 10,499 | 12,325 |
| Bad Debt Provision | Mln. Rs. | - | 1,542 | - | - |
| New Hiring Cost | Mln. Rs. | - | - | 322 | 383 |
| Depreciation | Mln. Rs. | 1,034 | 1,165 | 1,704 | 2,051 |
| RORB | Mln. Rs. | (9,643) | 106 | 2,407 | 3,377 |
| Prior Period Adjustments (Uncovered Costs) | Mln. Rs. | - | - | 4,639 | 10,274 |
| Total | Mln. Rs. | 71,111 | 93,771 | 132,284 | 147,613 |
| Less Other Operating Revenue | Mln. Rs. | 845 | 946 | 1,035 | 1,211 |
| Less Other Non-Operating Revenue | Mln. Rs. | 1,989 | 2,819 | 2,266 | 2,564 |
| Total | Mln. Rs. | 2,834 | 3,765 | 3,301 | 3,775 |
| Net Revenue Requirement from Tariff-excl. Taxation | Mln. Rs. | 68,277 | 90,006 | 128,983 | 143,838 |
| Taxation | Mln. Rs. | - | - | - | - |
| Net Revenue Requirement from Tariff-incl. Taxation | Rs./kWh | 4.960 | 6.835 | 8.878 | 9.340 |
| Break-up | | | | | |
| Power Purchase Price | Rs./kWh | 5.263 | 6.242 | 7.758 | 7.741 |
| Distribution Margin | Rs./kWh | (0.303) | 0.476 | 0.778 | 0.908 |
| Prior Period adjustments (Uncovered) | Rs./kWh | - | - | 0.319 | 0.667 |
| Tariff without Taxation | Rs./kWh | 4.960 | 6.718 | 8.856 | 9.315 |
| Taxation | Rs./kWh | - | - | - | - |
| Tariff with Taxation | Rs./kWh | 4.960 | 6.718 | 8.856 | 9.315 |