



## LAHORE ELECTRIC SUPPLY COMPANY LTD

Office of Chief Executive Officer  
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No. 995-96 /CFO/LESCO/CPC

For information & n.a. Please

Dated: 07/2/2020

The Registrar NEPRA,  
NEPRA Tower Ataturk Avenue (East),  
G 5 / 1, Islamabad.

• SA (Tariff-I) ADG  
Copy to:  
- DG (M&E) 11/2  
- M/F  
CC: Chairman  
- M (Tariff) 10 02 20

**Sub: - Annual Revenue Requirement, Adjustments/ Indexation For FY 2019-20 Under Multivear Tariff (MYT) Regime.**

In continuation of this office letter No.988/CFO/LESCO/CPC dated 23-01-2020, enclosed please find herewith the LESCO's Revenue Requirement for FY 2019-20 alongwith the following information /documents:

Sr. No.	Information/ Documents Required	Submissions
1	Annual Revenue Requirement for FY 2019-20 alongwith its breakup into Distribution & Supply cost.	Annex-A
2	Proposed O&M Cost for FY 2019-20 alongwith its breakup into Distribution & supply cost.	Annex-B
3	Breakup of O&M Cost & Other Income into Distribution & supply cost for FY 2018-19.	Annex-C
4	Prior Period Adjustments for: FY 2015-16 FY 2016-17 FY 2017-18 FY 2018-19	Annex-D-1/4 Annex-D-2/4 Annex-D-3/4 Annex-D-4/4
5	RORB for FY 2018-19 & FY 2019-20 (calculation is based on 3 months KIBOR + 2.75% spread as per order part (VIII) of Multiyear Tariff Re-determination dated Sep 18, 2017) and its breakup into Distribution & Supply Cost.	Annex-E

Senior Advisor Tariff-I  
DY No. 1342  
Date: 11-2-20

REGISTRAR  
DY No. 2508  
Date: 10-02-20

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6	Excess amount of Supplementary Charges Invoices raised by CPPAG against Late Payment Surcharge collection for FY 2018-19.	Annex-F
7	Sales Mix Variance calculation for FY 2017-18 & FY 2018-19.	Annex-G

The information is submitted for the kind consideration of the Authority for determination of Revenue Requirement for FY 2019-20 as well as any other relief which the Authority may consider.

  
(Imtiaz Ahmed Jigri)  
CHIEF FINANCIAL OFFICER  
LESCO

CC: Chief Executive Officer LESCO, for Information please.

**Lahore Electric Supply Company Limited**  
**Revenue Requirement**  
**FY 2019-20**

Min Rs.

Description	Dist:	Rs./ KWh	Supply	Rs./ KWh	Total	Rs./ KWh
<b>A Power Purchase Price</b>						
UOSC			8,918		8,918	
Capacity Charges			135,996		135,996	
Energy charges			161,834		161,834	
<b>Total</b>			<b>306,748</b>	<b>13.13</b>	<b>306,748</b>	<b>13.13</b>
<b>B Dist. Margin</b>						
O&M cost	38,631		2,863		41,494	
RORB	5,268		472		5,840	
Depreciation	3,467		257		3,724	
<b>Total</b>	<b>48,466</b>		<b>3,592</b>		<b>52,058</b>	
<b>C Less: Other Income</b>	(4,948)		(367)		(5,315)	
<b>D Net Dist. Margin</b>	<b>43,518</b>	<b>1.86</b>	<b>3,225</b>	<b>0.14</b>	<b>46,743</b>	<b>2.00</b>
<b>E Prior Year Adjustment</b>	16,696	0.71	1,237	0.05	17,934	0.77
<b>F Total (A+ D + E)</b>	<b>60,214</b>	<b>2.58</b>	<b>311,211</b>	<b>13.33</b>	<b>371,425</b>	<b>15.90</b>

Note: Allocation Ratio 93.1  
Projected Sale MkWh 23,354 6.9 100

**LAHORE ELECTRIC SUPPLY COMPANY LIMITED**  
**OPERATING & MANAGEMENT COST (PROPOSED)**  
**FY 2019-20**

Rs. in Million

Sr. No.	Description	Distribution	Supply	Total	Remarks
1	Salaries & Other Benefits & Others	14,024	1,039	15,064	Increase of 5% in Salaries as announced by GoP over the provisional amount of FY 2018-19
	<b>Sub- Total</b>	<b>14,024</b>	<b>1,039</b>	<b>15,064</b>	
2	Provision for Post Retirement Benefits	21,474	1,592	23,066	Last year Provisional amount has been assumed for the current year
	<b>Sub- Total</b>	<b>21,474</b>	<b>1,592</b>	<b>23,066</b>	
3	Maintenance Expenses	2,008	149	2,157	CPI increase @ 8.9% over reference year determined expenses.
	Travelling Expenses	293	22	315	
	Vehicle Running Expenses	376	28	404	
	Other Expenses	1,184	88	1,271	
	<b>Sub- Total</b>	<b>3,860</b>	<b>286</b>	<b>4,146</b>	
<b>Total ( 1+ 2 + 3 )</b>		<b>39,359</b>	<b>2,917</b>	<b>42,276</b>	
4	Less : CWIP	(782)		(782)	Average of Last Five Years
<b>NET TOTAL</b>		<b>38,577</b>	<b>2,917</b>	<b>41,494</b>	

Allocation of Cost Ratio	93.1	6.9	100
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**Lahore Electric Supply Company Limited**  
**Operating & Management Expenses**  
**FY 2018-19 (Provisional)**

Description	Mln Rs.		
	Distribution	Supply	Total
Salaries, wages and other benefits	13,356	990	14,346
Post retirement benefits	21,474	1,592	23,066
Repair and maintenance	1,255	93	1,348
Rent, rates and taxes	69	5	74
Power, light and water	103	8	111
Communication	45	3	48
Office supplies and other expenses	136	10	146
Travelling expenses	351	26	377
Electricity bills collection expenses	300	22	322
Director's fees	10	1	11
Professional fees	177	13	190
Auditors' remuneration	-	-	-
<del>Outside services employed</del>	<del>11</del>	<del>1</del>	<del>12</del>
Management fees	167	12	179
Vehicle running and maintenance	445	33	478
Advertisement expenses	50	4	53
Exchange fluctuation	2	0	3
Depreciation expense	3,234	240	3,474
Miscellaneous expenses	1,022	76	1,097
<b>Total</b>	<b>42,206</b>	<b>3,128</b>	<b>45,334</b>
Less: Charged to capital work in progress	(912)	0	(912)
<b>Total</b>	<b>41,294</b>	<b>3,128</b>	<b>44,422</b>

Lahore Electric Supply Company Limited  
Other Income  
FY 2018-19

Description	Rs. Mln.		
	Distribution	Supply	Total
Meter / service rent	-	300	300
Reconnection fees	-	24	24
Income from non-utility operations	886	0	886
Income from television license collection fee		35	35
Miscellaneous	164	12	176
Profit on bank deposits	2,218	149	2,367
Amortization of deferred credit	1,527	-	1,527
<b>Total</b>	<b>4,795</b>	<b>520</b>	<b>5,315</b>

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LESCO  
Prior Year Adjustments

	Rs. Min.
FY 2015-16	1,552
FY 2016-17	448
FY 2017-18	4,329
FY 2018-19	15,862
<b>Total</b>	<b>22,191</b>

<b>Sales Mix Variance</b>	FY 2017-18	(1,896)
	FY 2018-19	(2,725)

Variance of  
Supplementary  
charges than Other  
Income

	FY 2018-19	364
	<b>PYA</b>	<b>17,934</b>

## PYA 2015-16

Rs. Mln

Desription	Actual	Determined	Under/ (Over)
Pay & Allowances	10,018	8,466	1,552



PYA 2016-17

Description	Date	Rs. Mln.
Minimum Tax Payment to FBR	28-10-2016	448

NATIONAL BANK OF PAKISTAN

WAPDA HOUSE BRANCH, LAHORE. (0416) : LAHORE

CPR No : IT-20161028-0416-1253214

Payment Date : 28-Oct-2016

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTU : Corporate RTO  
Lahore

Nature of Payment : Advance Income Tax

Tax Period : 2017

Account Head(NAM) : B01105

Details of Tax Payer

NTN / CNIC : 3041094-7

Status : CO

Taxpayer/Business :

Name &amp; Address : LAHORE ELECTRIC SUPPLY COMPANY LIMITED , 22-A QUEENS ROAD , LAHORE

Tax Amount : 448,000,000

Amount of Tax in Words : Four Hundred Forty Eight Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
Cash	448,000,000	28-Oct-2016		



IT-20161028-0416-1253214

S.M.Nadeem Abbas

Signature &amp; Stamp of Manager / Authorized officer

## LAHORE ELECTRIC SUPPLY COMPANY LIMITED

## PYA (2017-18)

Month	Units Purchased	T&D Losses Determined	Units To be Sold	PYA-Allowed	PYA-Recovered	
	MkWh	%	MkWh	Rs./ Unit	Monthly	Cumulative
Jan-19	1,475	11.76%	1,302	2.22	2,889	2,889
Feb-19	1,310	11.76%	1,156	2.22	2,566	5,454
Mar-19	1,558	11.76%	1,375	2.22	3,050	8,504
Apr-19	2,026	11.76%	1,788	2.22	3,967	12,471
May-19	2,517	11.76%	2,221	2.22	4,928	17,399
Jun-19	2,596	11.76%	2,290	2.22	5,082	22,481
Jul-19	2,769	10.88%	2,468	2.22	5,476	27,957
Aug-19	2,795	10.88%	2,491	2.22	5,527	33,484
Sep-19	2,716	10.88%	2,421	2.22	5,371	38,855
Oct-19	1,904	10.88%	1,697	2.22	3,766	42,620
Nov-19	1,480	10.88%	1,319	2.22	2,927	45,548
Dec-19	1,466	10.88%	1,306	2.22	2,898	48,446
<b>Total</b>	<b>24,613</b>		<b>21,834</b>		<b>48,446</b>	<b>48,446</b>

	Rs. Mln
Prior Year Adjustment Allowed By NEPRA for FY 2017-18	52,775
Prior Year Adjustment Recovered by LESCO from Jan-2019 to Dec-2019	(48,446)
<b>Net PYA for FY 2017-18</b>	<b>4,329</b>

Prior Year Adjustment Calculation for FY 2018-19

Basis	Description	NEPRA DETERMINED	LESCO		Rs. Min.	Distribution	Supply	Total
		2018-19	2018-19		2018-19			
			Recovered	Provisional	PYA			
Actual	Salaries & Other Benefits & Others	12,666	11,059	14,346	3,287	3,060	227	3,287
Actual/ Provisional	Provision for Post Retirement Benefits	9,002	9,857	23,066	13,209	12,297	911	13,209
CPI-Based increase (Base Year FY 2015-16 Accounts)	Maintenance Expenses	1,981	1,856	1,348	125	116	9	125
	Travelling Expenses	289	123	377	166	154	11	166
	Vehicle Running Expenses	371	158	478	213	198	15	213
	Other Expenses	1,168	1,500	2,246	(332)	(309)	(23)	(332)
	<b>Total</b>	<b>25,476</b>	<b>24,553</b>	<b>41,860</b>	<b>16,667</b>	<b>15,517</b>	<b>1,150</b>	<b>16,667</b>
	Charge to Work in Progress (CWIP)			(912)	(912)	(849)	(63)	(912)
	<b>Net O&amp;M</b>	<b>25,476</b>	<b>24,553</b>	<b>40,948</b>	<b>15,755</b>	<b>14,668</b>	<b>1,087</b>	<b>15,755</b>
Actual	Depreciation	3,331	3,281	3,474	192	179	13	192
KIBOR+2.75%	RORB	4,045	3,794	5,694	1,900	1,769	131	1,900
	<b>Gross DM</b>	<b>32,852</b>	<b>31,628</b>	<b>50,116</b>	<b>17,848</b>	<b>16,616</b>	<b>1,231</b>	<b>17,848</b>
	Other Income	(3,329)		(5,315)	(1,986)	(1,849)	(137)	(1,986)
	<b>NET DM</b>	<b>29,523</b>	<b>31,628</b>	<b>44,801</b>	<b>15,862</b>	<b>14,768</b>	<b>1,094</b>	<b>15,862</b>

**Lahore Electric Supply Company Limited**  
**RORB Calculation**

	Rs. Mln.	
<b>Description</b>	<b>2018-19</b>	<b>2019-20</b>
Gross Fixed Assets in Operation - Opening Bal	97,038	105,701
Addition in Fixed Assets	8,822	13,351
Gross Fixed Assets in Operation - Closing Bal	105,860	119,052
<i>Less: Accumulated Depreciation</i>	34,870	38,602
Net Fixed Assets in Operation	70,990	80,450
<i>Add: Capital Work In Progress - Closing Bal</i>	16,564	5,984
Investment in Fixed Assets	87,554	86,435
<i>Less: Deferred Credits</i>	45,847	44,821
Regulatory Assets Base	41,707	41,614
Average Regulatory Assets Base	39,790	41,660
Rate of Return	14.31%	16.42%
Return on Rate Base	5,694	6,840
Distribution (93.1%)	5,301	6,368
Supply (6.9%)	393	472
<b>Total</b>	<b>5,694</b>	<b>6,840</b>

### RORB Calculation Based on KIBOR

2nd Jul 2015	Cost	Ratio	Rate
Equity	16.67%	30%	5.00%
Debt (2.75% Spread+ 3 Months KIBOR offer Rate)	9.76%	70%	6.83%
<b>RORB Determined</b>			<b>11.83%</b>

2nd Jan 2019	Cost	Ratio	Rate
Equity	16.67%	30%	5.00%
Debt (2.75% Spread+ 3 Months KIBOR offer Rate)	13.30%	70%	9.31%
<b>Calculated Rate</b>			<b>14.31%</b>

2nd Jan 2020	Cost	Ratio	Rate
Equity	16.67%	30%	5.00%
Debt (2.75% Spread+ 3 Months KIBOR offer Rate)	16.31%	70%	11.42%
<b>Calculated Rate</b>			<b>16.42%</b>

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**Lahore Electric Supply Company Limited**  
**Supplementary Charges & Late Payment Surcharge**

Rs. Mln.

<b>Year</b>	<b>S.Charges Invoice</b>	<b>Late Payment Surcharge</b>	<b>Difference</b>
FY 2018-19	4,013	3,649	364

**Lahore Electric Supply Company  
Limited**

**Sales Mix Varaince**

<b>Year</b>	<b>(Under)/Over Recovery Rs. Mln.</b>
FY 2017-18	1,896
FY 2018-19	2,725
<b>Total</b>	<b>4,621</b>



**LAHORE ELECTRIC SUPPLY COMPANY LIMITED**  
**Sales Mix Variance FY 2017-18**

Mln Rs.

Month	Budgeted Sales as Per Business Plan			Revised or Actual Sales as Per NPRA Rates			Sales Mix Variance (Under)/ Recovered/Over		
	Variable	Fixed	Total	Variable	Fixed	Total	Variable	Fixed	Total
Jul	22,656	1,098	23,754	23,364	1,019	24,383	708	(79)	630
Aug	23,252	1,203	24,455	23,866	994	24,859	614	(209)	405
Sep	21,270	1,100	22,371	21,643	959	22,602	373	(141)	232
Oct	18,321	948	19,269	18,609	973	19,582	288	25	313
Nov	13,481	697	14,179	13,157	915	14,072	(324)	217	(107)
Dec	13,885	719	14,604	13,409	902	14,311	(477)	184	(293)
Jan	13,991	724	14,715	13,530	910	14,440	(461)	186	(275)
Feb	13,410	694	14,104	12,843	937	13,780	(567)	243	(324)
Mar -Old	12,849	665	13,513	12,372	746	13,119	(476)	82	(395)
Mar- New	3,247	140	3,387	3,066	278	3,343	(181)	137	(44)
Apr -Old	1,100	57	1,157	1,130	8	1,138	30	(49)	(19)
Apr-New	18,035	780	18,815	17,817	1,106	18,923	(218)	325	108
May	22,417	970	23,386	22,634	1,124	23,758	217	154	371
Jun	21,493	930	22,423	22,568	1,150	23,719	1,075	220	1,295
<b>Total</b>	<b>219,408</b>	<b>10,725</b>	<b>230,133</b>	<b>220,008</b>	<b>12,021</b>	<b>232,029</b>	<b>600</b>	<b>1,296</b>	<b>1,896</b>

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**LAHORE ELECTRIC SUPPLY COMPANY LIMITED**  
**Sales Mix Variance FY 2018-19**

Mln Rs.

Month	Sales Mix Variance (Budgeted) / Actual			Sales Mix Variance (Budgeted) / Actual			Sales Mix Variance (Budgeted) / Actual		
	Variable	Fixed	Total	Variable	Fixed	Total	Variable	Fixed	Total
Jul	25,361	1,096	26,456	25,948	1,154	27,102	588	58	646
Aug	26,407	1,141	27,548	27,276	1,031	28,307	869	(109)	759
Sep	24,454	987	25,441	25,298	1,066	26,364	844	80	924
Oct	17,767	768	18,534	17,667	1,002	18,670	(99)	235	136
Nov	15,409	622	16,031	14,844	1,007	15,851	(566)	386	(180)
Dec	14,752	637	15,389	14,106	1,019	15,125	(646)	382	(264)
Jan-Old Rate	3,066	133	3,199	3,009	97	3,105	(58)	(36)	(94)
Jan-New Rate	15,186	509	15,695	14,651	921	15,572	(535)	412	(123)
Feb	17,488	586	18,074	16,882	1,005	17,888	(606)	419	(186)
Mar	19,168	642	19,811	18,409	1,026	19,434	(760)	383	(376)
Apr	24,421	818	25,239	24,079	1,131	25,209	(342)	313	(30)
May	29,796	998	30,795	29,974	1,176	31,150	178	178	355
Jun	29,121	976	30,097	30,135	1,122	31,256	1,013	146	1,159
<b>Total</b>	<b>262,397</b>	<b>9,911</b>	<b>272,308</b>	<b>262,277</b>	<b>12,756</b>	<b>275,033</b>	<b>(120)</b>	<b>2,845</b>	<b>2,725</b>