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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Tariff)TRF-100/ 5329-32

April 10, 2025

Subject: Decision of the Authority in the matter of Motion filed by the Federal Government with respect to recommendation of Consumer end Tariff for XWDISCOs and K-Electric

Dear Sir,

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

Enclosure: As above

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

Wasim Anwar Bhinder
(Wasim Anwar Bhinder)

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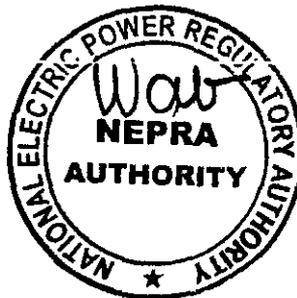
1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad

National Electric Power Regulatory Authority
(NEPRA)

**DECISION OF THE AUTHORITY IN THE MATTER OF MOTION FILED BY THE
FEDERAL GOVERNMENT WITH RESPECT TO RECOMMENDATION OF CONSUMER
END TARIFF FOR XWDISCOs AND K-ELECTRIC**

Islamabad

April 10, 2025

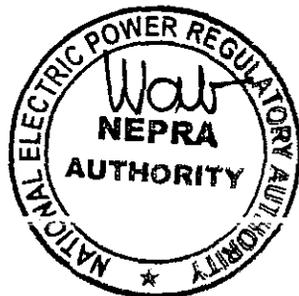


1. The Ministry of Energy (MoE), Power Division (PD) vide letter dated 27.03.2025, filed a Motion regarding recommendation of consumer end tariff for XWDISCOs and K-Electric, under section 7 and 31 of the Regulation, Generation, Transmission and Distribution of Electric Power Act, 1997 (the "Act") read with rule 17 of the NEPRA Tariff (Standards and Procedures) rules, 1998 (the "Rules").
2. The MoE (PD) in the Motion stated that the national average rate for FY 2024-25 determined by NEPRA is Rs. 35.50/kWh, against which the Government notified national average tariff is Rs. 32.99/kWh (October 2024 and onwards), bridging the gap through Tariff Differential Subsidy (TDS). Further, the Government has also maintained a uniform consumer-end tariff for K-Electric through incorporation of TDS for K-Electric consumers.
3. The MoE further submitted that in line with the Government's efforts to reduce consumer-end tariffs and improve demand, the Federal Government has decided to increase the tariff differential subsidy for electricity consumers for April to June FY 2025. The per-unit additional TDS for all consumers of XWDISCOs and K-Electric (except lifeline domestic), is estimated at Rs. 1.71/kWh for April – June 2025. The matter was considered and approved by the Cabinet in case No. 112/11/2025 dated March 26, 2025 and it was decided that the same be submitted to the Authority for consideration and approval in terms of Section 31 of the Act. Once considered and approved by NEPRA, the same will lead to notification by the Federal Government by modification, to the extent of the subsidy relief specified above, of existing rates notified via S.R.O 1039 (I)/2024 dated July 14, 2024, read in conformity with earlier issued applicable notifications.
4. In light of the above, the Ministry filed instant Motion of the Federal Government with respect to Consumer End Tariff Recommendations of XWDISCOs and K-Electric under Section 7 and 31 of the Act read with Rule 17 of the Rules, so as to consider and approve the above tariff rationalization for all consumers of XWDISCOs and K-Electric (except lifeline) for the period of April – June 2025.
5. Since the impact of any such decision is to be made part of the consumer end tariff, therefore, the Authority, in order to provide an opportunity of hearing to all the concerned and in the interest of natural justice, decided to conduct a hearing in the matter.
6. The hearing was scheduled on 04.04.2025 at NEPRA tower and through ZOOM, for which notice of hearing / advertisement was published in newspapers on 28.03.2025 and also uploaded on NEPRA website. Individual notices were also served to the relevant stakeholders.



Ana

- ✓ Mr. Arif Bilvani and Mr. Asif requested for clarification and to issue a press release covering all the proposed reliefs announced by the Prime Minister and the period for which these reliefs shall remain applicable. Representative of the MoE stated that a press briefing will be given by the Minister for Power, to provide clarity on the relief announced by the Prime Minister. While responding to other queries raised by Mr. Bilvani, the MoE explained that expected PDL collection for the FY 2025-26, would be considered at the time of annual rebasing of Tariff for the FY 2025-26, after approval of the Cabinet. On the point of subsidy, the MoE explained that Federal Government allocated around Rs.266 billion for the FY 2024-25, which after inclusion of currently proposed relief of Rs.58.6 billion @ Rs.1.71/kWh, would become Rs.325 billion. Representative of CPPA-G explained that category wise relief would be different depending upon applicable taxes for the relevant category.
- ✓ Upon inquiry from Mr. Abubakar Ismail, the MoE explained that relief of RS.1.71/kWh shall be applicable to all consumers of XWDISCOs and K-Electric except life line consumers.
- ✓ While responding to the query of Mr. Hannan, regarding B-4 tariff, the MoE explained that existing Peak rate for B-4 category is Rs.40.76/kWh, which after reduction would become Rs.34.78/kWh. Similarly, B-4 Off-Peak rate is Rs.36.38/kWh, which would reduce to Rs.30.40/kWh.
- ✓ Mr. Raza raised concerns about the burden being placed on grid-connected consumers due to increasing net-metering connections. It was explained that government was actively deliberating on the matter, and the issue may be discussed during the upcoming tariff rebasing.
- ✓ Mr. Aleem malik inquired about the total volume of circular debt, to which it was responded by the Ministry that it stands at Rs.2.4 trillion.
- ✓ Mr. Rahat Gul requested to address structural issues of billing e.g. removal of financing cost surcharge, instead of providing relief in tariff.
- ✓ Mr. Muhammad Asif requested for rationalization of fixed charges.
- ✓ Mr. Saif ur Rehman inquired about the break-up of relief announced by the Prime Minister, and the period to which this relief shall be applicable, which was accordingly explained by the Ministry of Energy.
- ✓ While responding to the query of Mr. Zeeshan Yousafzai regarding continuation of relief going forward, the Ministry explained that major portion of power sector cost is dependent on macro-economic conditions like international fuel prices, exchange rate parity etc. Therefore, any such relief would be dependent on macroeconomic stability.



Wab

10. The Authority has carefully considered the submissions made by the Federal Government in the Motion & during hearing and comments from the stakeholders. The Authority noted that the Ministry has not requested for any change in the NEPRA's determined tariff/ Revenue Requirement of DISCOs, rather has decided to use the Petroleum Development Levy (PDL) to provide additional subsidy to electricity consumers of XWDISCOs and K-Electric except lifeline @Rs.1.71/kWh, from April 2025 to June 2025. Further, no objection was raised by any stakeholder.
11. In view thereof, the Authority has no objection on the instant Motion, as it does not impact NEPRA's determined tariff, since the GOP has decided to provide additional subsidy from the expected collection of PDL. Accordingly, the request of the Ministry to provide additional subsidy of Rs.1.71/kWh to all consumers of XWDISCOs and K-Electric (except lifeline consumers) for the period from April 2025 to June 2025 is hereby approved.
12. The instant decision is intimated to the Federal Government for notification in terms of Section 31(7) of the Act.

AUTHORITY

Mathar Niaz Rana (nsc)
Member

Rafique Ahmed Shaikh
Member

Engr. Maqsood Anwar Khan
Member

Amina Ahmed
Member

Waseem Mukhtar
Chairman

