PART II
Statutory Notifications (S.R.O.)

GOVERNMENT OF PAKISTAN
MINISTRY OF ENERGY
(Power Division)

NOTIFICATION

Islamabad, the 7th May, 2020

S. R. O. 447(I)/2020.—In pursuance of sub-section (7) of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), and in supersession of its Notification No. S.R.O. 1276(I)/2015, dated the 18th December, 2015, the Federal Government is pleased to notify as under, the National Electric Power Regulatory Authority’s determination of tariff in respect of National Transmission and Dispatch Company (NTDC), namely: —

1181(1—6)

Price: Rs. 10.00

[5566 (2020)/Ex. Gaz.]
ORDER

The National Transmission and Dispatch Company (NTDC) is allowed to charge such tariff and on such terms and conditions as provided hereunder:

Use of System Charges

Since FY 2017-18 has already lapsed, therefore, the Authority has incorporated the impact of difference in the tariff determined for the FY 2015-16, 2016-17 and the tariff actually charged by the Petitioner during this period, in the assessed revenue requirement for the FY 2017-18 as Prior Year Adjustment (PYA).

The actual amount on account of salaries wages, accumulated depreciation, other income, financial charges and other parameters have been adjusted based on the audited financial statements provided by the NTDC for the FY 2018-19. Accordingly, NTDCL shall charge its users for provision of transmission and allied services the following two-part tariff i.e. a fixed and variable charge for the FY 2018-19:

Fixed charge (USCF) = Rs.176.16/kW/Month

Variable charge (USCV) = Rs.0.18/kWh x LAL Factor

Where:

LAL Factor is a factor for Adjustment of Losses and Load imposed on the transmission system by user. LAL Factor of unity will be applied till benchmarks are defined by NEPRA.

In case of DISCOs, NTDCL shall charge the fixed charges i.e. Rs. 176. 16/kW/Month. The variable charge shall only be applicable to the energy in kilowatt-hours (kWh) transmitted / delivered during a billing period. Recording of the maximum demand in kW and energy delivered in kWh shall be carried out at meters installed at the common delivery metering points i.e. inter-connection point between:

(a) NTDC transmission system (NTDC System) and the bulk power consumer.
(b) NTDC system and the transmission system of a special purpose transmission licensee.

(c) NTDC system and the transmission system of another country connected under an arrangement approved by the Federal Government.

(d) NTDC system and a distribution company receiving power in bulk either for sale to its own consumers or on behalf of another distribution company or a BPC located in another distribution company.

**Terms and Conditions:**

**Definitions:**

Bulk Power Consumer (BPC) means a Bulk Power Consumer as defined in NEPRA Act.

Billing Period means a period determined by NEPRA for the purpose of charging the transfer charge to DISCOs or BPC or any other user of transmission system in respect of power delivered. The billing period for the purpose of applying a transfer charge shall be on a one month basis (starting 24:00 hrs of the 1st day of the month and ending 12:00 hrs on the last day of the month) till a shorter billing period is specified by NEPRA through a Competitive Trading Arrangement Transitional Order.

Competitive Market Operation Date = The date as defined under article 7(2) of the License granted to NTDC.

CPPA-G- = Central Power Purchasing Agency Guarantee Limited as required under Article 8(a) of the License granted to NTDC.

Delivery metering point means the inter-connection point at the grid stations where power is delivered by NTDC to DISCOS, BPCs connected directly to the transmission system or other users of the transmission system and where relevant meters are installed to measure such power delivered.
IPPs = Independent Power Producers established under the Federal Government’s Power Policies. System Peak Demand = The highest system peak demand recorded during a billing period measured over successive periods of 30 minute interval at the receiving metering point of the DISCOS or user of the transmission system. Maximum demand measuring apparatus used for recording the maximum system peak demand during a billing period shall be based on a 30 minutes interval reset basis.

Month means a calendar month according to the Gregorian Calendar.

Power Factor: the rate expressed as a percentage of the kilowatt hours to the kilovolt hours consumed during a billing period.

Use of System Charge means any charge (fixed or variable) payable by a Distribution Company, BPC or any other user of the transmission system for Transportation of Power from Generator to Delivery Metering Point and delivery to a distribution company, BPC or any other user and as required under Article 13 and 14 of the NTDC License.

Other Terms and Conditions

Power Factor Penalty: The DISCOS shall maintain an average power factor during a billing period at the delivery metering point of at least 85% lagging. In the event of the said Power Factor falling below 85% in a billing period the concerned DISCO shall pay to NTDC a penalty as determined by the Authority for general applicability on the recommendation of NTDC and after consultation with the generation and distribution licensees.

In order to ensure least cost generation, NTDC shall strictly follow the merit order while operating the power plants.

Directions of the Authority

The directions of the Authority given in the instant petition are reproduced as under;

- To file its next tariff petition timely under Multi-Year Tariff (MYT) regime.
- To submit on quarterly basis the investment made and progress made against the investment being allowed in this tariff.
• To ensure efficient and timely utilization of Loans and Credits from DFIs. The commitment charges due to non-utilization within loan/credit period will not be allowed.

• Conclude the long in-process creation of separate post retirement funds and to transfer the amount claimed and already allowed by the Authority for this retirement fund and separately managed.

• To file tariff petition timely and complete in all aspects to avoid PYA made belatedly.

• To file next tariff petition on the basis of calculation of MDI on coincidental basis. Share on quarterly basis the progress on the implementation for recording of MDI on coincidental basis.

• To provide loading position of its 500 kV and 220 kV components to the Authority on quarterly basis and recent improvements.

• To submit the updated progress regarding dispersal of power from major power plants, wind corridors, solar parks, hydel projects on monthly basis.

• To ensure evacuation of the electricity from the upcoming power plants as per timelines of interconnection approval granted by NTDC.

• To ensure timely right of way and other associated tasks assigned to NTDCL for timely completion of HVDC / all HVAC Transmission lines.

• To ensure installation of Secured Metering System (SMS) on remaining Common Delivery Points (CDPs).

• To ensure completion of its planned activities within the prescribed timeframe to avoid tripping incidents in future. Progress in this regard to be shared with the Authority on a quarterly basis.

• To ensure implementation of reliability indices for all in-process and future projects.
## Annexure-I

### National Electric Power Regulatory Authority

**NTDC**

**FY 2017-18 & FY 2018-19**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2017-18 (Rs. in Million)</th>
<th>FY 2018-19 (Rs. in Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Requirement</td>
<td>43,176</td>
<td>50,067</td>
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<tr>
<td>Avg. MCI</td>
<td>22,730</td>
<td>23,694</td>
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<tr>
<td>Rs. in WIN</td>
<td>189,058</td>
<td>176,16</td>
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<tr>
<td>General Establishment Costs</td>
<td>6,843.43</td>
<td>9,307.20</td>
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<tr>
<td>Pay &amp; Allowances &amp; Other Benefits</td>
<td>6,553</td>
<td>9,387</td>
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<td>Administrative Costs</td>
<td>481,00</td>
<td>497.87</td>
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<tr>
<td>Rent Rate &amp; Taxes</td>
<td>67.12</td>
<td>60.20</td>
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<tr>
<td>Power Light etc.</td>
<td>80.11</td>
<td>66</td>
</tr>
<tr>
<td>Communication</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Office Supplies &amp; Other Expenses</td>
<td>13.18</td>
<td>12.78</td>
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<tr>
<td>Travelling Expenses</td>
<td>255.65</td>
<td>269.50</td>
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<tr>
<td>Professional Fee</td>
<td>400</td>
<td>5.00</td>
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<td>Management Fees</td>
<td>6.17</td>
<td>8.17</td>
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<tr>
<td>General/Misc. Expenses</td>
<td>38.00</td>
<td>58.10</td>
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<tr>
<td>Repair &amp; Maintenance</td>
<td>90,550</td>
<td>1,241.92</td>
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<tr>
<td>R&amp;M of Plant Assets</td>
<td>971.30</td>
<td>896.00</td>
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<td>Vehicle Expenses Repair</td>
<td>655.12</td>
<td>72.05</td>
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<tr>
<td>Vehicle Maintenance &amp; Running Expenses</td>
<td>165.53</td>
<td>161.66</td>
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<tr>
<td>Insurance</td>
<td>199.29</td>
<td>232.31</td>
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<tr>
<td>Depreciation</td>
<td>6,690.36</td>
<td>9,278.17</td>
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<td>Finance Charges</td>
<td>4,574.98</td>
<td>8,110.34</td>
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<td>Return on Equity</td>
<td>18.17</td>
<td>17.322</td>
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<td>Prior Year Adjustment</td>
<td>8,364</td>
<td>6,002</td>
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<td>Less: Other Income</td>
<td>(395)</td>
<td>(1,994)</td>
</tr>
</tbody>
</table>

[No. P-III-03(02)/2004.]

SYED MATEEN AHMED BUKHARI,

*Section Officer.*