Power DISCOs

Sector Overview

June 2016

Power DISCOs | Snapshot

- 21 licensed Power DISCOs operating in Pakistan
- 10 Public DISCOs and K-Electric serve almost entire customer base
- Transmission network includes 16,260 KMs long lines, including K-Electric network, operating at 500 kV and 220 kV level
- Distribution network of NTDC includes 350,795 KMs High Tension (HT) lines and 242,600 KMs long Low Tension (LT) lines, including K-Electric

Challenges

- **T&D losses**
- **Circular debt**

Infrastructural reforms including significant CAPEX would help in resolving the key challenges

Developments

- **Multi-year tariff (MYT) Regime** NEPRA to re-introduce MYT regime. MYT being performance based tariff will require DISCOs to achieve certain targets of performance over the control period to receive revenue streams based on known tariffs
- **Privatization of DISCOs** on government agenda

Power DISCOs | Snapshot

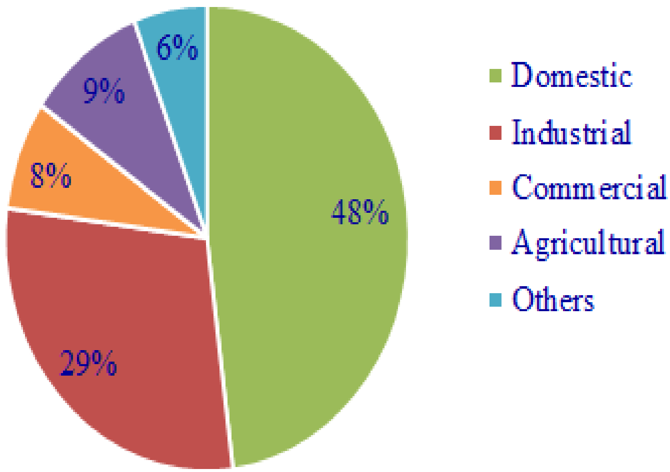
as at June 30, 2015

Type of DISCOs	Number of Licenses	Number of Customers
Public Sector DISCOs	10	23,477,685
Private Sector DISCOs	2	2,175,169
Small & Captive Power Producers	9	43
Total	**21**	**25,652,897**

Private Sector DISCOs include K-Electric and Bahria Town (ISD)

Number of Consumers (In mln)	Domestic	Commercial	Industrial	Agricultural	Others	Total
FY15	21.8	3.2	0.3	0.3	0.0	**25.7**
Growth	*4%*	*3%*	*3%*	*2%*	*2%*	*4%*
FY14	21.0	3.1	0.3	0.3	0.0	**24.7**
Growth	*3%*	*2%*	*3%*	*3%*	*1%*	*3%*
FY13	20.4	3.0	0.3	0.3	0.0	**24.0**
Growth	*4%*	*2%*	*3%*	*5%*	*3%*	*4%*
FY12	19.6	2.9	0.3	0.3	0.0	**23.2**
Growth	*4%*	*2%*	*5%*	*2%*	*-4%*	*3%*
FY11	18.9	2.9	0.3	0.3	0.0	**22.3**

Electricity Consumption | FY15



Units Consumed (GWh)
FY15: 84,936
FY11: 76,285

Power DISCOs | Transmission Network

Years	Trans. Lines* (KMs)		Total
	NTDC	K-Electric	(KMs)
FY15	15,011	1,249	16,260
FY14	14,287	1,248	15,535
FY13	13,502	1,248	14,750
FY12	13,026	1,248	14,274
FY11	12,505	1,248	13,753

** Includes 500KV and 220KV lines of NTDC and 220KV, 132KV, and 66KV of KE network*

	Expected Addition	
Years	Transmission Line [KMs]	Tranformation Capacity* [MVA]
FY16	1,236	11,750
FY17	2,063	5,230

**Includes 500KV and 200KV*

- Timely completion of projects is critical and of paramount importance.

Power DISCOs | Distribution Network

Years	Distribution Lines* (KMs)		Total HT Lines (KMs)	Total LT Lines (KMs)
	NTDC	K-Electric		
FY15	341,051	9,744	350,795	242,600
FY14	336,941	9,245	346,186	240,909
FY13	332,046	8,981	341,027	221,187
FY12	322,352	8,712	331,064	217,485
FY11	314,868	8,450	323,318	213,958

Includes 132KV, 66KV, 33KV, 11KV lines

DISCOs | T&D Losses | Trend

FY15

KPIs	Description	IESCO	FESCO	GEPCO	LESCO	MEPCO	K-Electric	QESCO	HESCO	TESCO	PESCO	SEPCO	Pakistan
T&D	Actual - Unit Lost (GWhs)	846	1,240	847	2,681	2,148	4,522	1,200	1,492	305	4,058	1,664	
	Actual Loss (%)	9.41	11.03	10.72	14.10	15.50	23.69	23.10	27.08	21.68	34.81	38.29	19.3%
	Allowed by NEPRA (%)	9.44	9.50	9.98	11.75	15.00	17.00	17.50	20.50	22.31	26.00	27.50	
	Delta (%)	(0.03)	1.53	0.74	2.35	0.50	6.69	5.60	6.58	(0.63)	8.81	10.79	

Against an average loss target of 15.3% for FY15, DISCOs' reported losses were around 19% (almost same YoY basis).

IESCO being the most efficient DISCO having less than allowed T&D loss

DISCOs | Recovery | Trend

FY15

KPIs	Description	IESCO	FESCO	GEPCO	LESCO	MEPCO	K-Electric	QESCO	HESCO	TESCO	PESCO	SEPCO	Pakistan
Recovery	Actual - Units Billed (GWhs)	8,147	10,006	7,055	16,328	11,711	12,293	3,994	4,020	1,101	7,599	2,682	84,936
	Amount Billed *(PKR mln)*	109,958	128,180	90,872	225,481	138,646	187,435	65,166	45,714	15,660	105,933	36,706	1,149,751
	Amount Recovered *(PKR mln)*	99,963	128,257	88,273	216,056	141,876	169,385	21,218	35,767	11,468	93,136	21,220	1,026,619
	Loss (%)	9.09	(0.06)	2.86	4.18	(2.33)	9.63	67.44	21.76	26.77	12.08	42.19	10.7

The actual level of recovery remained around 89% for the year FY15

Circular Debt | Receivable Position - Net

			PKR bln
Circular Debt | Receivable Position - Net			
	end-Jun16	**end-Jun15**	**end-Jun14**
PSO	**180**	**181**	**175**
OGDCL	**111**	**121**	**101**
PPL	**57**	**59**	**50**
Attock Petroleum & Shell	**9**	**9**	**16**
Total	**357**	**370**	**342**

No. of receivable days increased to 210 at end-Jun15 from 174 at end-Jun14. Receivables of distribution sector increased by more than PKR 120bln during FY15, to stand at PKR 633bln at end-Jun15

- Out of PKR 120bln, PKR 75bln increase represent private sector, PKR 15bln increase stood against AJK share. Another PKR 13bln increase is due to the Provincial Governments mainly Govt. of Sindh).

- Recoveries from agriculture connections also remain a source of constant inflow into the circular debt and cannot be resolved unless the provincial governments lend their active support to DISCOs.

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