

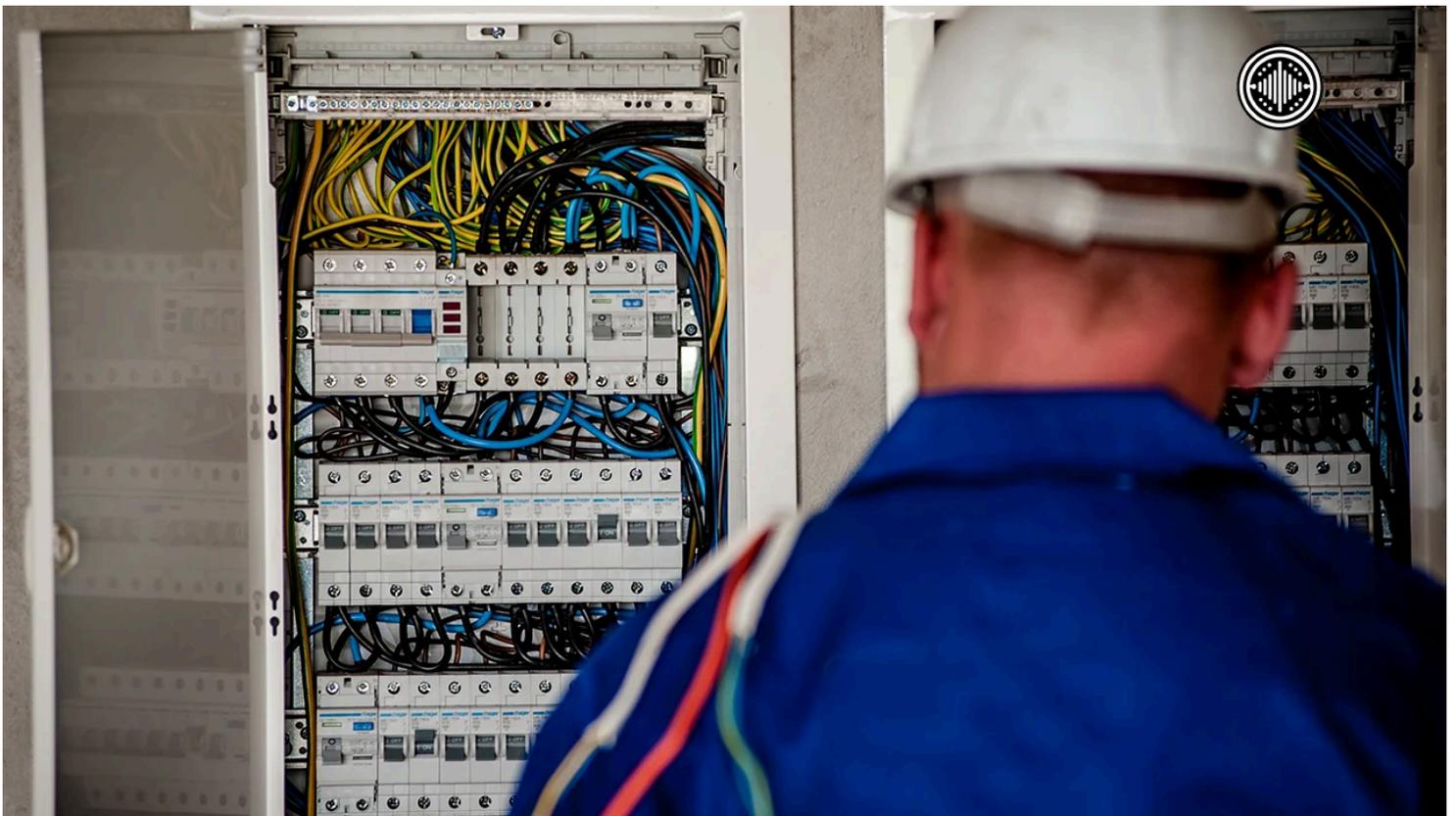
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Pakistan May See Rs 0.77/Unit Electricity Relief

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ISLAMABAD: Electricity consumers across Pakistan are poised to benefit from a combined reduction of Rs0.77 per unit (inclusive of taxes) in their upcoming billing cycles, under the adjusted Quarterly Tariff Adjustment (QTA) and Fuel Price Adjustment (FPA) mechanisms.

At a NEPRA public hearing held on August 4, 2025, distribution companies (DISCOs) presented their request for the fourth quarterly tariff adjustment of fiscal year 2024–25. NEPRA is expected to approve a negative QTA adjustment of Rs 1.89 per unit, which will be

applied over three billing cycles August, September, and October. According to available estimates, only Rs0.34 per unit of that reduction will appear in August bills.

Meanwhile, under the Fuel Price Adjustment process, CPPA–G submitted fuel cost data on July 16, 2025, followed by a NEPRA hearing on July 30 (or early August) reviewing June generation costs. The authority is likely to allow an overall FPA relief of Rs0.78 per unit, of which Rs0.28 per unit remains from prior June refunds; another Rs0.50 per unit had already been passed on through July billing.

If approved as expected, the combined impact of both adjustments will result in a Rs0.77 per unit tariff reduction for consumers starting in the next billing cycle, which signals modest but meaningful financial relief amid ongoing inflationary pressures across Pakistan.

What led to this relief?

- Lower generation costs: Power generation companies submitted revised cost data. Transmission and distribution efficiencies, together with the integration of captive power plants into the national grid, helped reduce overall production expenses.
- Sector reforms: Capacity payments dropped significantly, and improvements in circular debt management and DISCO performance contributed to cost savings.
- Fuel cost decline: A shift in the energy mix toward hydropower and reduced reliance on expensive imported fuels also helped drive the FPA reduction.

Who will benefit and who is excluded?

- The relief applies to nearly all DISCO customers nationwide, covering both domestic and commercial users.
- Excluded categories include lifeline-rate customers, prepaid meter holders, and electric vehicle charging stations, as per NEPRA policy.
- K–Electric consumers in Karachi may also see similar benefits under separate, company-specific FCA approvals.

Consumer impact

For the average household consuming around 300 units, the rebate translates into savings of roughly Rs230 per month. Over three billing cycles, the total relief could exceed Rs700, offering tangible support amid rising utility expenses and cost of living.

Outlook

NEPRA will issue its formal decision shortly. If both QTA and FPA reliefs are approved, the August through October bills will reflect the reduction. While this is not a dramatic cut, it represents a welcome easing for consumers after sustained pressure from high energy costs and inflation.