



TRF-14

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Vice Chairman

No. NEPRA/TRF-14/KESC-2002/1658-62
24-10-2005

Subject:- **Tariff Adjustment of KESC due to Variation in Fuel Price and Cost of Power Purchased during the quarter July to September 2005**
Intimation of Determination of Tariff pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997)

My dear Secretary,

Please find enclosed the determination of the Authority along with Annexes-I (05 pages) applying the Tariff Adjustment Mechanism specified in Case No. NEPRA/TRF-14/KESC-2002 notified vide SRO 716(I)/2002, dated 12th October 2002.

2. The determination is being intimated to the Federal Government for the purposes of notification of the approved tariff in the official gazette pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997) and Rule 16(II) of the National Electric Power Regulatory Authority Tariff (Standards and Procedure) Rules, 1998.

3. Please note that only Annexure-I to the attached determination containing the schedule of tariff needs to be notified in the official gazette.

4. In view of above, the determinations intimated earlier, for notification vide letter No. NEPRA/TRF-14/KESC-2002/12241-43, dated 26-11-2004, No. NEPRA/TRF-14/KESC-2002/12686-88 dated 09-02-2005, NO. NEPRA/TRF-14/KESC-2002/068-70 dated 20-04-2005 and No. NEPRA/TRF-14/KESC-2002/975-78 dated 22-07-2005 need to be notified prior to the notification of the attached schedule as mentioned at para 3 above.

5. The approval of the tariff is subject to the terms and conditions of schedule of tariff as notified vide SRO 819(I)/2001 dated 29th November 2001 and SRO 325(I)/2002 dated June 11th 2002.

DA/As above

The Secretary,
Cabinet Division,
Government of Pakistan,
Cabinet Secretariat,
Islamabad.



Yours sincerely,

(Fazlullah Qureshi)

CC:

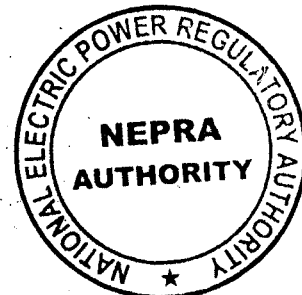
1. Advisor to the Prime Minister on Energy, Prime Minister's Secretariat, Islamabad.
2. Secretary, Ministry of Water & Power, Islamabad.
3. Secretary, Ministry of Finance, Islamabad.
4. Secretary, Privatization Commission, Islamabad.

**DETERMINATION OF THE AUTHORITY ON TARIFF ADJUSTMENT OF
KESC FOR VARIATION IN FUEL PRICE AND COST OF POWER PURCHASE
FOR THE QUARTER JULY TO SEPTEMBER 2005**

Pursuant to the determination made on September 10, 2002 in Case no. NEPRA/TRF-14/KESC-2002, as notified by the Federal Government vide SRO 716(I)/2002 dated 12th October 2002, the tariff of KESC is subject to adjustment: (a) every three (3) months to compensate for variation in the fuel price and cost of power purchased and (b) every year (in July) for indexation due to CPI (inflation).

2. The KESC pursuant to the above mentioned tariff determination has submitted tariff adjustment request vide its communication no. CMF/NEPRA/071/166 dated October 06, 2005. According to the information submitted by KESC, the variation in fuel cost due to fuel price variation and generation mix requested by KESC comes to Rs. 2195 or Ps. 23.09/kWh. The data submitted by KESC has been checked and after scrutiny the amount of variation in fuel cost due to fuel price variation works out Rs. 2157 or Ps. 22.68/kWh. The amount of variation in cost of purchase of power works out as Rs. 426 million or paisa 4.48/kWh. The combined effect has thus been calculated as paisa 27.16/kWh. The backlog leftover from previous adjustment is Paisas 17.93 and Paisas 8.53 for fuel price variation and purchase of power respectively.

3. According to the prescribed mechanism, the maximum adjustment that can be allowed in a quarter due to variation in fuel price is 2.5% of average sale rate and due to variation in power purchase price is 1.5% of average sale rate. Therefore, the allowable adjustment in sale rate on account of variation in fuel cost has been assessed as paisa 13.53/kWh and on account of variation in power purchase price as paisa 8.12/kWh (which includes Ps. 3.64/kWh of the balance carried forward for the last quarter and Ps 4.48/kWh for the current quarter, (Jul-Sep 05)). The overall allowable adjustment both on account of fuel price variation and power purchase price, therefore works out as paisa 21.65/kWh. The spillover left to be adjusted in the next quarter is Paisas 27.08 and Paisas 4.89 for fuel cost and purchase of power respectively. In order to compensate KESC for variation in fuel cost and power




purchase cost, the Authority has decided to allow a uniform increase in consumer-end tariff for all consumer categories by paisa 22.00 per kWh except for the class of life line consumers consuming up to 50 units per month.

4. The Authority hereby recommends to the Federal Government that the KESC tariff be varied to the extent as indicated in para 3 to cater for variation in cost of fuel and power purchase for the quarter July to September 2005. For this purpose a new schedule of tariff, annexed to this determination as Annexure-I is hereby intimated for notification, in the official gazette in accordance with the provisions of section 3(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997), read with Rule 6 of the NEPRA Tariff Standards and Procedure Rules, 1998.

Authority

Abdul Rahim Khan
Member

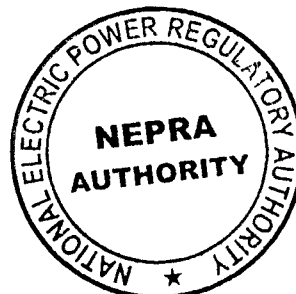


Fazlullah Qureshi
Vice Chairman/Member



Saeed uz Zafar
Chairman





KESC

SCHEDULE OF ELECTRICITY TARIFFS

TARIFF CATEGORY/PARTICULARS	Fixed Charges	Energy Charges	F.A.S	Additional Surcharge
	Rs/kW/Month	Ps/kWh	Ps/kWh	Ps/kWh

RESIDENTIAL --- TARIFF A-1

Up to 50 units consumption in a month	-	61	-	79
<u>For consumption above 50 units</u>				
For first 100 units (1-100) in a month	-	46	128	174
For next 200 units (101-300) in a month	-	63	128	247
For next 700 units (301-1000) in a month	-	156	128	382
Above 1000 units in a month	-	193	128	469

Under this Tariff, there shall be minimum monthly charges at the following rates, even if no energy is consumed during the month.

- a. Single phase connections Rs.45/-
 b. Three phase connections Rs.100/- plus Rs.25/- per kW for load in excess of 5 kW

COMMERCIAL --- TARIFF A-2

For first 100 units in a month	-	291	80	418
Above 100 units in a month	-	315	80	430

Under this Tariff, there shall be minimum monthly charges at the following rates, even if no energy is consumed during the month.

- a. Single phase connections Rs 150/-
 b. Three phase connections Rs 300/- plus Rs 30/- per kW for load in excess of 10 kW

INDUSTRIAL --- TARIFF - B

B-1 Up to 40 kW (At 400 Volts)	-	186	95	337
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There shall be minimum monthly charges of Rs. 70 per kW for first 20 kilowatt of load and Rs. 90 per kW for loads between 20-40 kW even if no energy is consumed.

B-2 From 41-500 kW (at 400 volts)	300	135	95	250
B-3* Up to 5000 kW (11 kV)	290	134	95	234
B-4* For all loads (at 66, 132 kV).	280	129	95	215
B-5* For all loads (at 220 kV and above)	273	129	95	208

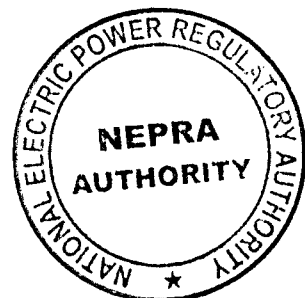
TIME OF DAY (TOD) TARIFF FOR INDUSTRIAL CONSUMERS

PARTICULARS	Fixed Charges Rs/kW/Month	Energy Charges		F A S Ps/kWh	Additional Surcharge	
		Off-Peak Hours	Peak Hours		Off-Peak Hours	Peak Hours
		Ps/kWh	Ps/kWh		Ps/kWh	Ps/kWh
B-2 From 41-500 kW (at 400 volts)	300	125	203	95	234	313
B-3 Upto 5000 kW (11 kV)	290	120	202	95	191	266
B-4 For all loads (at 66, 132 kV).	280	116	192	95	177	256
B-5 For all loads (at 220 kV and above)	273	116	192	95	170	251

Note: B-2 consumers can opt for TOD Tariff

All B-3 & B-4 consumers were to be converted to TOD Tariff by 30-06-2000, after installation of electronic meters with TOD provisions. Normal Tariff (*) will be only applicable to B-3, B-4 and B-5 consumers who have not been provided with TOD meters, till such time TOD meters are provided.

The time period for measuring the maximum demand of B-2, B-3, B-4 and B-5 industrial and TOD meters has been changed from 15 minutes to 30 minutes. Change to take effect on installation of meters capable of measuring the maximum demand in 30 minutes period.



TARIFF CATEGORY/PARTICULARS	Fixed Charges	Energy Charges	F.A.S	Additional
	Rs/kW/Month	Ps/kWh	Ps/kWh	Surcharge Ps/kWh

BULK SUPPLY --- TARIFF - C

C-1 (a) 400 Volts	-	129	120	353
C-1 (b) 400 Volts	220	114	120	354
C-2 (a) 11 kV	-	115	120	333
C-2 (b) 11 kV	216	111	120	345
C3 (at 66, 132 & 220 kV) --- for all loads	214	106	120	315

Note: The time period for measuring the maximum demand of C-1, C-2, and C-3 meters has been changed from 15 minutes to 30 minutes. Change to take effect on installation of meters capable of measuring maximum demand in 30 minutes period.

AGRICULTURE --- TARIFF - D

D-1 Sindh and Balochistan	72	80	108	236
D-2 Sindh and Balochistan	176	80	108	172

Note: Consumer falling in category D shall have the option to choose between Tariff D-1 and D-2.

TEMPORARY SUPPLY --- TARIFF - E

E-1 (i) Domestic Supply	-	216	128	388
E-1 (ii) Commercial Supply	-	386	80	528

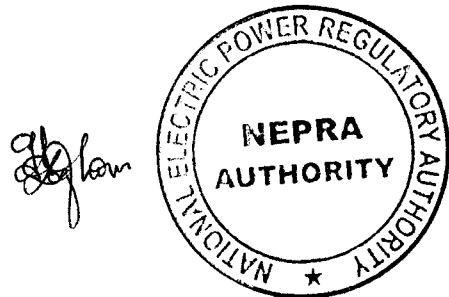
For the above two categories, the minimum bill of the consumer shall be Rs 46/- per day subject to minimum of Rs.200/- for the entire period of supply, even if no energy is consumed.

E-2 (i) Industrial supply	-	241	95	382
E-2 (ii) Bulk Supply				
(a) at 400 Volts	-	181	120	409
(b) at 11 kV	-	169	120	391
E-2 (iii) Bulk supply to other consumers	-	190	120	407

SEASONAL INDUSTRIAL SUPPLY TARIFF-F

SUPPLY CHARGES	ADDITIONAL SURCHARGE
125% of the "Supply Charges" of relevant industrial supply tariff	125% of the Additional Surcharge of the relevant industrial supply tariff

Note: Tariff-F Consumers will have the option to convert to Regular Tariff and vice versa. This option can be exercised at the time of a new connection or at the beginning of the season. Once exercised, the option will remain in force at least for one year



TARIFF CATEGORY/PARTICULARS	Fixed Charges	Energy Charges	F.A.S	Additional Surcharge
	Rs/kW/Month	Ps/kWh	Ps/kWh	Ps/kWh

PUBLIC LIGHTING TARIFF-G

G-1 Units Charges	-	220	99	488
G-2 (a) for 60 watts		Rs 495/per year per lamp		470
(b) for 100 watts		Rs 908/per year per lamp		470

Note: Consumer falling in category G shall have the option to choose between Tariff G-1 and G-2.

Fixed Line Charges Per Month Per Mile**Rs**

(i) Where the entire capital cost in laying street lighting supply line which is exclusively meant for street lighting is borne by the Corporation.	253
(ii) Where the entire capital cost in laying street lighting supply line, which is exclusively meant for street lighting is borne by the Consumer.	23
(iii) Where the entire capital cost in laying street lighting supply line, over the existing distribution system is borne by the Corporation.	158
(iv) Where the entire capital cost in laying street lighting supply line, over the existing distribution system is borne by the consumer.	33
(v) For street lighting supply through underground cables.	Rates to be negotiated

RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES (TARIFF-H)

Consumers having their own transformers	150	128	426
Consumers not having their own transformers	151	128	428

Note:

Terms and conditions of the Schedule of Tariff as notified vide SRO 819(1)/2001 dated November 29, 2001 shall continue to remain in force.

