



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

NEPRA Tower, Ataturk Avenue(East), G-5/1, Islamabad
Ph: +92-51-9206500, Fax: +92-51-2600026
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/TRF-133/KESC-2009/15467-15470
November 25, 2014

Subject:- **Decision of the Authority in the matter of Karachi Electric Supply Company Limited (KESCL) (Now K-Electric Limited) Request for Quarterly Adjustment in its Tariff for the Quarter Ended March 2014**

Dear Sir,

Please find enclosed herewith the subject decision of the Authority along with revised schedule of electricity tariff, Annexure-I (11 pages) in respect of Karachi Electric Supply Company Ltd. (now K-Electric Limited) in Case No. NEPRA/TRF-133/KESC-2009(6).

2. The Decision is being intimated to the Federal Government for the purpose of notification 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(11) of the National Electric Power Regulatory Authority Tariff (Standards and Procedure) Rules, 1998.

3. Please note that revised schedule of tariff attached to the Decision as Annex-I is required to be notified in the official Gazette.

Enclosure: As above


(Syed Safeer Hussain) 25.11.14

Secretary,
Ministry of Water & Power,
'A' Block, Pak Secretariat,
Islamabad

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Secretary, Privatization Commission, EAC Building, Islamabad.



DECISION OF THE AUTHORITY IN THE MATTER OF KARACHI ELECTRIC SUPPLY COMPANY LIMITED (KESCL) (NOW K-ELECTRIC LIMITED) REQUEST FOR QUARTERLY ADJUSTMENT IN ITS TARIFF FOR THE QUARTER ENDED MARCH, 2014

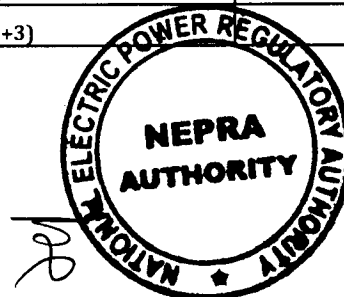
BACKGROUND

- Pursuant to section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 and in accordance with the determination of the Authority in case No. NEPRA/TRF-133/KESC-2009(6) notified vide S.R.O. No. 11(1)/2010 dated January 01, 2010, Karachi Electric Supply Company Limited (hereinafter referred to as the "KESCL") has been allowed certain adjustments in its tariff on quarterly basis. The adjustments allowed in the KESCL's tariff on quarterly basis include the following:
 - Impact of variation in the Capacity Charges and Operation and Maintenance (hereinafter referred to as the "O&M") components of the cost of power purchased by KESCL from the external sources.
 - The impact of transmission and distribution losses (hereinafter referred to as the "T & D losses") on the monthly Fuel Charges Adjustments (hereinafter referred to as "FCA").
- In addition to the aforesaid adjustments in tariff, for allowing KESCL recovery of its tariff in future on the latest price level, the tariff level is required to be adjusted at the price level of last month of the quarter i.e. in the current case the price level of March 2014.

CURRENT REQUEST

- KESCL in accordance with the prescribed mechanism for adjustment of fuel cost and power purchase cost variation submitted quarterly adjustment request for the quarter January-March, 2014 (hereinafter referred to as the "current quarter") vide its letter No. RA&SP/NEPRA/071/182 dated April 30, 2014. The summary of the requested tariff adjustment for the current quarter as claimed by KESCL is tabulated below:

Items	DESCRIPTION	Proposed Adjustment
1	Fuel Price Variation of March, 2014 over December, 2013 (Ps/kWh)	84.497
	Power Purchase Price Variation of March, 2014 over December, 2013 (Ps/kWh)	39.923
	Total Variation in Tariff (Ps/kWh)	124.420
	Un Recovered Cost	
	Variation in O&M cost of IPPs and Other External Sources (Mill Rs)	(33.211)
	Variation in Capacity Charges of IPPs and Other External Sources (Mill Rs)	54.686
	Un-recovered cost of fuel in FCAs due to non-adjustment of T&D losses (Mill Rs)	467.607
	Revision in the Fixed Cost of PASMIC for FY 2013-14	0.392
	Adjustment in Capacity Charges of NTDC given in FY 2013-14	75.798
	Other Adjustments of un-recovered cost of previous quarters	495.183
	Total Unrecovered Cost (Mill Rs.)	1060.454
	Estimated Units to be Sold at 17% T&D losses April-June,2014 (GWh)	3,198.299
2	Required Adjustments (Ps/kWh)	33.157
3	Reversal of Unrecovered Cost of Previous Quarter (Ps/kWh)	(19.448)
	Total Required Adjustment in KESCL's Tariff (Ps/kWh) (1+2+3)	138.129





4. In addition to above tabulated costs, KESCL submitted that it should also be allowed prior period payments of Worker's Welfare Funds (hereinafter referred to as "WWF") and Worker's Profit Participation Fund (hereinafter referred to as "WPPF") to Independent Power Producers ("IPPs") amounting to Rs. 329.063 million which was previously requested to be allowed as pass through item, however, not allowed by the Authority. KESCL also requested that in addition to above, an amount of Rs.144.153 million on account of WPPF and WWF may also be allowed which was claimed in Oct-Dec 2013 quarterly petition.

PUBLIC HEARING

5. Since the impact of tariff adjustment, if any, affects the consumers, therefore, in order to meet the ends of natural justice, the Authority considered it just and appropriate to provide an opportunity of hearing/filing of objections/comments to all the stakeholders. Accordingly, a public hearing for consideration of the requested adjustment was held by the Authority on May 28, 2014 (Wednesday) at Marriot Hotel, Karachi along-with the hearing for the quarterly adjustment for the quarter October-December 2013; notice thereof was published in the daily newspapers dated May 21, 2014 and separate notices were also sent to the major stakeholders inviting thereby comments/objections from the concerned stakeholders to make the process of hearing meaningful and to reach at an informed and just decision. During the hearing and in written form, various commentators raised several issues with respect to the submission of KESCL. The Authority noted that submissions, of the commentators, relevant to the quarterly tariff adjustment have already been considered and discussed in detail in previous decisions of the Authority.

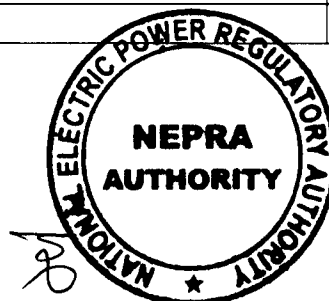
ANALYSIS

6. The generation data, rates, etc. of KESCL (both from self-generation and power purchased from external sources) were scrutinized with respective original invoices and other underlying documents. KESCL's request for the current quarter has been discussed in detail under the following headings:
- a) Changing the reference tariff from December, 2013 to March, 2014
 - b) Under-recovered costs for the Current Quarter
 - c) Reversal of tariff adjustment pertaining to the previous quarter i.e. Oct-Dec, 2013 which was applicable for the current quarter only

CHANGING THE REFERENCE TARIFF FROM DECEMBER, 2013 to MARCH, 2014

7. KESCL's last adjusted tariff is based on the fuel prices (both own generation and power purchase), O&M costs and capacity charges of December, 2013. For allowing KESCL, the recovery of its tariff in future on the latest price level, it is required that its tariff be adjusted to the price level of March, 2014. Changing the tariff level requires allowing variations in the fuel cost of company's own generation as well as in its power purchase cost (fuel cost, O&M costs and capacity charges) of March, 2014 over the reference month of December, 2013. KESCL has requested for allowing following adjustments in its tariff on this account:

Description	As Requested
Fuel cost variation of March, 2014 over December, 2013 (Mill Rs.)	820.447
Power purchase cost variation of March, 2014 over December, 2013 (Mill. Rs.)	387.646
Total Variation (Mill Rs.)	1208.093
Units sold at 17% T&D losses for March, 2014 (GWh)	970.980
Required adjustment in tariff (Ps/kWh)	124.420





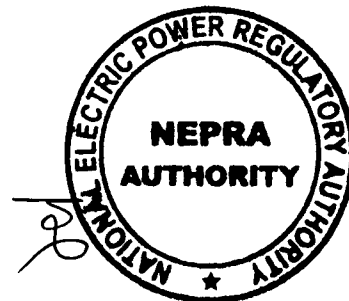
8. The Authority noted that main reason of KESCL's claimed variation in the fuel cost component of its own generation is increase in the generation on furnace oil which has increased from 45.896 GWh in the month of December, 2013 to 142.523 GWh in the month of March, 2014, although, the price of furnace oil has decreased to Rs. 66,780/M.Ton in March 2014 from Rs. 70,396/M.Ton in December 2013.
9. In the power purchase cost, the Authority noted that major reason for variation as claimed by KESCL was the increase in cost of the energy procured from NTDC which has increased from Rs. 10.814/kWh in the month of December, 2013 to Rs. 11.208/kWh in the month of March, 2014.
10. A comparative analysis of the adjustment in KESCL's tariff required for bringing it to the tariff level of March, 2014 as requested and approved by the Authority after verification of all the relevant documentary evidences is tabulated below;

Description	As Requested	Approved
Fuel cost variation of March, 2014 over December, 2013 (Mill Rs.)	820.447	815.102
Power purchase cost variation of March, 2014 over December, 2013 (Mill. Rs.)	387.646	303.476
Total Variation (Mill Rs.)	1208.093	1,118.578
Units sold at 17% T&D losses for March, 2014 (GWh)	970.980	970.620
Required adjustment in tariff (Ps/kWh)	124.420	115.244

11. The difference between the claimed and approved variation in fuel cost of own generation is due to inconsistency in the working of furnace oil rate (Rs/M.Ton) at KESCL's end. The Authority has consistently been using monthly weighted average method to work out the furnace oil rate and has used the same method for working out the above tabulated fuel charges variations.
12. In the power purchase cost component, the major reason of the difference between the requested and approved variation is that KESCL had used NTDC's invoiced fuel cost components for the months of December, 2013 (Rs. 8.975/kWh) and March, 2014 (Rs. 9.182/kWh), whereas, the Authority's approved fuel cost component of NTDC/CPPA, applicable to all XWDISCOs and KESCL, for the mentioned months, i.e. Rs. 8.879/kWh (December, 2013) and Rs. 8.907/kWh (March, 2014) have been used to work out tabulated above variations. Further, on verification of original invoices of the PASMIC, it was noticed that the figure of energy purchased by KESCL from PASMIC comes out to be around 0.012 GWh against 0.444 GWh as claimed by KESCL in its request.

UNRECOVERED COST FOR THE CURRENT QUARTER

13. As per the approved mechanism, the monthly variation on account of O&M cost and capacity charges components of the power purchase cost of KESCL, accumulated and not allowed in the monthly adjustments, is required to be adjusted in the quarterly tariff adjustment of the company. In addition, the cost of fuel that was not allowed to the utility to be passed on in the monthly FCAs to the extent of targeted T&D losses is required to be taken care of on quarterly basis in accordance with the prescribed mechanism. Furthermore, any costs that are allowed to be passed on under the approved mechanism but were not accounted for in the monthly FCAs are treated in the quarterly adjustment. The utility has requested for allowing it the recovery of the following unrecovered costs:



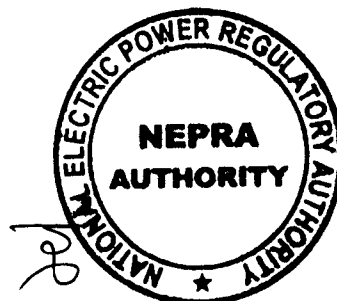


DESCRIPTION	Requested by KESCL
Variation in O&M cost of IPPs and Other External Sources (Mill Rs.)	(33.211)
Variation in Capacity Charges of IPPs and Other External Sources (Mill Rs.)	54.686
Un-recovered cost of fuel in FCAs due to non-adjustment of T&D losses (Mill Rs.)	467.607
Revision in the Fixed Cost of PASMIC for FY 2013-14	0.392
Adjustment in Capacity Charges of NTDC given in FY 2013-14	75.798
Other Adjustments of un-recovered costs of previous quarters	495.183
Total Unrecovered Cost (Mill Rs.)	1060.454
Estimated Units to be Sold at 17% T&D losses April-June,2014 (GWh)	3,198.299
Required Adjustments (Ps/kWh)	33.157

14. The break-up of other adjustments of un-recovered costs of previous quarter of Rs. 495.18Million, as provided by KESCL, is as under;

Description		Quarter	Rs. in Million
i)	Difference in Fixed Cost of KANUPP and PASMIC in SoT	Apr-Jun, 2012	3.365
ii)	Difference in Units Sold Taken in Determination 2990.601 GWh; Actual 2923.441 GWh	Jul-Sep, 2012	(7.477)
iii)	Gul Ahmed Energy Limited Capacity (GAEL) Disputed Amount settled but not allowed in SoT	Oct-Dec, 2012	377.184
iv)	WPPF Payment to IPPs Tapal & GAEL not considered in SoT	Jan-Mar, 2013	106.360
v)	Difference in Units Sold taken in Determination 3632.929 GWh; Actual 3015.331 GWh	Jul-Sep, 2013	15.749

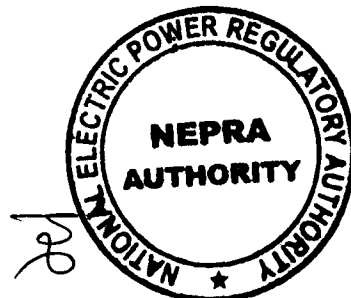
15. Variation in O&M Costs: The variation in O&M cost component of the power purchase cost is worked out by comparing the monthly weighted average O&M costs of all external power sources. This method yields results representing the change both in prices and energy mix on month to month basis. As tabulated above, KESCL has claimed around minus Rs.33 million variations on this account. The Authority noted that the main reason of claimed variation is the decrease in the fixed cost (*use of system charges + capacity charges*) against the energy purchased from NTDC by KESCL in the two months of the quarter.
16. Variations in Capacity Charges: Similar to the mechanism of O&M costs, the variation in capacity charges is worked out by comparing the monthly weighted average cost of all the power stations from which KESCL procures power, which represents change in both prices and energy. KESCL has claimed variation of around Rs. 55 million under this head. The Authority noted that the reason of the claimed variation was increase in the amount of capacity charges of the two IPPs (Tapal and Gul Ahmed) during the current quarter as compared to the reference month of the last quarter.
17. Un-recovered fuel cost due to non-adjustment of T&D losses in monthly FCA: The variation in the cost of fuel (own generation + power purchases) that was not allowed to KESCL to be passed on in the monthly FCAs to the extent of targeted T&D losses is required to be taken care of on quarterly basis. The company under this head has claimed about Rs. 468 million.



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18. Adjustment of Fixed Cost of PASMIC: As per the power purchase agreement signed between KESCL and PASMIC, the fixed cost component of the energy purchased from PASMIC is equal to the "yearly fixed cost of the utility's generation plus yearly fixed cost of utility's transmission plus 8% return on average net fixed assets of generation and transmission of the company divided by the total units sent out by the company during the whole year". The component worked out, for any financial year, using the above mentioned formula is applied on the energy purchased by KESCL from PASMIC in the next financial year. KESCL, along with the current quarterly tariff adjustment request, submitted the workings of the cost of financial year 2012-13 to be applicable, as fixed cost component, on the energy purchased from PASMIC during the financial year 2013-14. As per the provided workings, the average fixed cost per unit sent out of KESCL for the financial year 2012-13 comes out to be Rs. 2.7411 per kWh. The Authority noted that while allowing the quarterly tariff adjustments during year 2013-14, the average fixed cost per unit sent out which was applicable in the last year i.e. 2012-13 was used, hence KESCL has claimed an adjustment of difference amounting to Rs. 0.392 million under this head.
19. Adjustment in Capacity Charges of NTDC given in FY 2013-14: KESCL has claimed Rs. 75.798 million under the captioned head. The Authority noted that KESCL has claimed the mentioned amount on the basis of the final invoice raised by NTDC to KESCL vide letter No. COO(CPPA)/IT/908/14 dated January 01, 2014, for the year 2012-13, wherein there is a difference in the claimed capacity charges to the extent of this amount.
20. Other Adjustments of Un-recovered Cost of Previous Quarters: KESCL submitted that the Authority, while issuing the quarterly tariff adjustment decisions from April, 2012 to September, 2013, without giving proper justifications did not consider various cost elements which should have been covered under un-recovered cost owing to which KESCL suffered revenue losses. Following costs have been claimed by KESCL in this regard;
- Difference in Fixed Cost of KANUPP and PASMIC in SoT - Apr-Jun, 2012: KESCL has claimed an amount of Rs. 3.365 million on account of difference in the fixed cost of KANUPP and PASMIC which as per KESCL was not allowed by the Authority in the quarterly adjustment decision of KESCL for the quarter April-June 2012.
 - Difference in the Units Sold taken in July-September, 2012 Decision: KESCL submitted that the Authority used the incorrect figure of next quarter's (Oct-Dec, 2012) actual units sold as 2990.601 GWh in the quarterly adjustment decision of July-September, 2012 as the correct figure was 2923.441 GWh which should have been taken into account. An amount of minus Rs. 7.477 million under this head has been requested to be adjusted in the current quarter by KESCL.
 - GAEL Capacity Disputed Amount settled but not allowed in SoT Oct-Dec, 2012 Rs. 377.184: KESCL has claimed an amount of Rs. 377.184 million on account of disputed amount of Capacity payments to Gul Ahmed Energy Limited. The amount pertains to the deductions made by KESCL on account of capacity charges from Gul Ahmed from July 2011 to November 2012 being disputed amount. On settlement of dispute, the Authority in the quarterly adjustment decision for the quarter Oct-Dec, 2012 decided to allow the backlog on payment.
 - Adjustment of WPPF Payment to IPPs: KESCL under this head has claimed Rs. 106.360 million which was disallowed by the Authority in the quarterly adjustment decision for the quarter Jan-Mar, 2013. KESCL has also claimed prior



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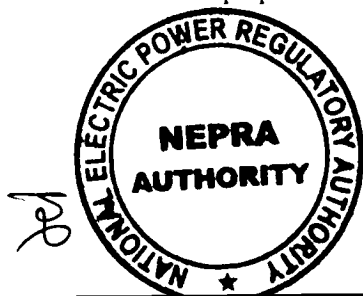
period payments of WWF and WPPF to IPPs amounting to Rs. 329.063 million which were previously requested to be allowed as pass through under unrecovered cost, however, not allowed by the Authority.

- v. Difference in the Units Sold taken in July-September, 2013 Decision: KESCL submitted that the Authority used the incorrect figure of next quarter's (Oct-Dec, 2013) actual units sold as 3632.929GWh in the quarterly adjustment decision of July-September, 2013 as the correct figure was 3015.331GWh which should have been taken into account. KESCL requested for adjustment of an amount of Rs. 15.749 million under this head in the current quarter.

21. A comparative analysis of the adjustment in KESCL tariff for the un-recovered costs of the current quarter to be recovered as per request submitted by KESCL and being approved by the Authority after verification of all the relevant documentary evidence is tabulated below:

DESCRIPTION	Requested by KESCL	Approved
Variation in O&M cost of IPPs and Other External Sources (Mill Rs)	(33.211)	(33.859)
Variation in Capacity Charges of IPPs and Other External Sources (Mill Rs)	54.686	54.872
Un-recovered cost of fuel in FCAs due to non-adjustment of T&D losses (Mill Rs)	467.607	429.892
Revision in the Fixed Cost of PASMIC for FY 2013-14 (Mill Rs.)	0.392	0.155
Adjustment in Capacity Charges of NTDC given in FY 2013-14 (Mill Rs.)	75.798	46.125
Difference in Fixed Cost of KANUPP and PASMIC in SoT - Apr-Jun, 2012	3.365	1.707
Difference in the Units Sold taken in July-September, 2012 decision	(7.477)	(7.477)
Gul Ahmed Capacity Disputed Amount	377.184	-
Adjustment of WPPF Payment to IPPs	106.360	-
Difference in the Units Sold taken in July-September, 2013 decision	15.749	-
Total Unrecovered Cost (Mill Rs.)	1060.454	491.415
Estimated Units to be Sold at 17% T&D losses April-June, 2014 (GWh)	3,198.299	3677.219
Required Adjustments (Ps/kWh)	33.157	13.364

22. The difference in the requested and approved variation in unrecovered O&M component and capacity charges of the power purchase cost is due to the reason that incorrect figure of energy purchased from PASMIC in the month of March, 2014 was used by KESCL in its request.
23. The difference in the requested and approved variation in un-recovered fuel cost, due to non-adjustment of T&D losses, is mainly due to the reason that KESCL while claiming variation on this account used fuel cost component as invoiced by NTDC in each month of the quarter, whereas the aforementioned variation has been approved by the Authority on the basis of Authority's approved fuel cost component of NTDC.
24. As explained earlier, as per the power purchase agreement signed between PASMIC and KESCL, the fixed cost component of the energy purchased from PASMIC is linked with the yearly fixed cost of KESCL's generation and transmission in addition to certain return on KESCL's average net fixed assets. Based on the mentioned formula, a working was provided by KESCL showing the computations of its fixed cost, for the financial year 2012-13, applicable on the energy purchased from PASMIC during the year 2013-14. KESCL had included a cost of Rs. 4.524 billion on account of interest on long term financing in the computation. The Authority noted that as per Financial Statements of KESCL for the Year 2012-13, no new loan for the generation or transmission purposes was obtained by KESCL and this interest cost is related with the



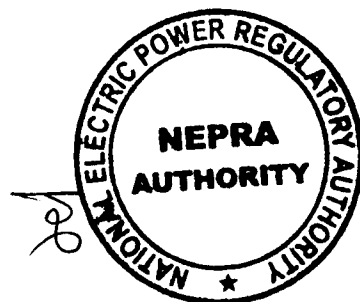
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loans already obtained / utilized by KESCL. Further, KESCL in the previous year i.e. FY 2011-12, has also not claimed interest on long term financing as a part of its generation or transmission cost for working out the fixed cost component of PASMIC. Moreover, no details of the amount claimed as interest on long term financing has been provided by KESCL, therefore, the Authority is constrained to disallow the aforesaid interest cost on long term financing and the same has been excluded from the provided workings. Accordingly, the fixed cost per unit sent out comes out to be Rs. 2.17/kWh as against Rs. 2.74/kWh as claimed by KESCL which is the reason of the difference between the requested and approved variations in PASMIC.

25. On review of the final summary invoice raised by NTDC to KESCL for FY 2012-13, it was found that there was a difference of around Rs. 75 million, as claimed by KESCL, in the Capacity Charges of NTDC, which were not adjusted while allowing quarterly variations during the financial year 2012-13. On verification of the final invoice of NTDC, it was also noted that energy transfer charges for three months, i.e. July-12, Jan & Apr-13 were slightly on the lower side as compared to what was used by the Authority to allow variations to KESCL for these months. The impact of such adjustments in energy transfer charges works out to be around Rs. 30 million which have also been adjusted/deducted in the current quarter. Accordingly, the net claim of KESCL comes out to be around Rs.46 million and the same has been incorporated to be allowed under the head of unrecovered cost.
26. On re-examination of the relevant workings, it was found that there is a difference of around Rs. 1.71 million on account of variation in fixed cost of KANUPP and PASMIC for the period from July 2011 to May 2012, rather than Rs. 3.365 million as claimed by KESCL. The same has been adjusted in the current quarter's adjustment.
27. The decision for the quarter July-September, 2012 was checked to verify the claim of KESCL regarding difference in units sold taken in July-September 2012 decision. The submission of KESCL was found correct and accordingly an amount of minus Rs.7.48 million has been adjusted in current quarter's adjustment.
28. KESCL in its request of the current quarter claimed an amount of Rs.377.184 million on account of disputed amount of Capacity payments to Gul Ahmed Energy Limited and submitted that the Authority disallowed the disputed amount and decided that the same will be adjusted on payment basis which is not in accordance with law and approved mechanism. The Authority noted that the disputed amount was not disallowed by the Authority in its decision for the quarter Oct-Dec, 2012, however, it did not adjust the same in Oct-Dec, 2012 quarter. This decision was taken in view of the Settlement Agreement signed between KESCL and GAEL in which it was agreed that disputed amount between the two entities from January, 2008 to November, 2012 will be paid by the former in equal monthly installments starting from September, 2013. Since the Authority had not allowed the disputed payments from July, 2011 onwards, therefore, it was decided to adjust the same when its payment becomes due in future i.e. after June 2015, upon thorough scrutiny and verification of the relevant documentary evidences. In accordance with the earlier decision of the Authority, this claimed amount has not been taken into account in the approved tabulated above costs.

WPPF Payment to IPPs were disallowed by the Authority owing to the fact that such costs, as per the respective PPAs, are required to be passed on through supplemental charges for which there is no provision under the current adjustment mechanism. Accordingly, the claim of this cost has not been taken into account in the current quarter's adjustment. Further adjustment regarding difference in units sold for the quarter July-September 2013 has already been adjusted in the previous quarter, i.e. October-December, 2013, therefore, no adjustment is required in the current quarter.



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29. Further, KESCL in its request estimated that 3198.299GWh units will be sold @ 17% T&D losses in the next quarter (April-June 2014), however as KESCL's quarterly request for the quarter of March-June 2014, has been received, therefore, actual units sold figure @ 17% T&D losses for the quarter April-June, 2014, i.e. 3677.219GWh has been used to calculate the unrecovered cost in Ps/kWh.
30. The variation in tariff under this head, will be applicable for the next quarter only i.e. April-June, 2014 and will cease automatically at the end of that quarter.

REVERSAL OF TARIFF ADJUSTMENT WHICH WAS APPLICABLE FOR THE CURRENT QUARTER ONLY

31. KESCL in its request claimed that Ps.19.448/kWh be adjusted for the quarter Oct-December, 2013. The Authority in its previous quarterly adjustment pertaining to Oct-Dec, 2013 allowed Ps. 9.492/kWh increase in KESCL's tariff for adjustment of unrecovered amount of Rs.242.525 million by KESCL. As per the direction in the same decision, this allowed increase of Ps. 9.492/kWh is required to be adjusted back in the KESCL's current quarterly adjustment in order to nullify its impact in the schedule of tariff.

Impact of error corrected through decision

32. The Authority corrected an inadvertent error in the Schedules of Tariff of KESCL through decision of the Authority dated March 31, 2014. However, KESCL has filed civil suit in high court of Sindh at Karachi against the decision of the Authority and the honorable high court has suspended the decision of the Authority to the extent of reductions made by the Authority. Therefore, in compliance with the interim orders of the honorable court, the current quarterly adjustment has been worked out after excluding the impact of reductions made by the Authority through decision dated March 31, 2014. The impact of error and its adjustment shall be considered and worked out in the light of the decision of honorable court.

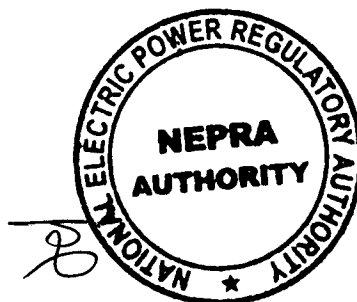
Claw Back Mechanism - Sharing of a portion of KESCL's profit with consumers

33. Pursuant to decision of the Authority issued vide No. NEPRA/TRF-133/KESC-2009/12889-12892 dated October 17, 2014, in the matter of KESCL for the Quarter October-December 2013, minus Ps.42/ kWh assessed by the Authority in accordance with claw back mechanism for FY 2011-12 and 2012-13 (Ps.7.059/kWh for FY 2011-12 and Ps.34.576/kWh for 2012-13) have already been adjusted in the Schedule of Tariff during the previous quarter which will also remain applicable for the current quarter i.e. January-March 2014.

OVERALL ADJUSTMENT IN TARIFF

34. The overall cumulative variation in the KESCL's tariff after making all aforesaid adjustments, as discussed in the preceding paragraphs, works out to be Ps. 119.116/kWh against the claimed figure of Ps. 138.129/kWh as detailed below:

	<u>Paisas per kWh</u>
• Changing the reference tariff from December, 2013 to March, 2014	115.244
• Unrecovered costs for the current quarter	13.364
• Reversal of tariff adjustment which was applicable for the current quarter only	(9.492)
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35. In order to allow aforesaid adjustments in KESCL's tariff, KESCL is allowed a uniform increase in consumer end-tariff for all consumer categories, except for the life-line consumers, by paisa 120 per kWh.
36. In view of the foregoing, the revised schedule of tariff for the subject quarter to be applicable from April 01, 2014 to June 30, 2014 is attached herewith as **Annexure-I**.
37. The revised schedule of tariff has been prepared after excluding the impact of reductions made by the Authority through its decision dated March 31, 2014. Since the time of recovery as specified above has lapsed, therefore, KESCL is hereby allowed to adjust the bills of pertinent consumers as per the following schedule;

Adjustment for the Month of	To be Charged in the Monthly Bills of
April, 2014	February, 2015
May, 2014	March, 2015
June, 2014	April, 2015

AUTHORITY

(On tour)

(Khawaja Muhammad Naeem)
Member

J.R. Rashid 25/11/14

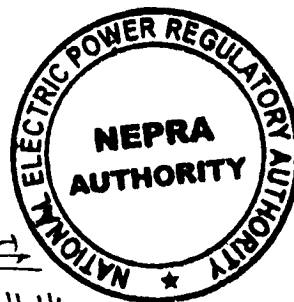
(Maj (R) Haroon Rashid)
Member

Himayat Ullah Khan 25.11.14

(Himayat Ullah Khan)
Member

Habibullah Khilji 25/11/2014

(Habibullah Khilji)
Vice Chairman



Himayat Ullah Khan
25.11.14

**REVISED SCHEDULE OF ELECTRICITY TARIFF
FOR KARACHI ELECTRIC SUPPLY COMPANY LIMITED (KESCL)
DETERMINED FOR THE QUARTER JANUARY 14-MARCH'14**

A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
a)	For Sanctioned load less than 5 kW			
i	Up to 50 Units	-		4.00
	For Consumption exceeding 50 Units			
ii	1- 100 Units	-		15.72
iii	101- 200 Units	-		16.76
iv	201- 300 Units	-		17.49
v	301- 700 Units	-		19.58
vi	Above 700 Units	-		21.46
b)	For Sanctioned load 5 kW & above			
	Time Of Use	-	22.46	16.46

Under tariff A-1, there shall be minimum monthly customer charge at the following rates even if no energy is consumed.

a) Single Phase Connections:

Rs. 75/- per consumer per month

b) Three Phase Connections:

Rs. 150/- per consumer per month

A-2 GENERAL SUPPLY TARIFF - COMMERCIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
a)	For Sanctioned load less than 5 kW			21.96
b)	For Sanctioned load 5 kW & above	400.00		19.16
	Time Of Use	400.00	23.46	17.96

Under tariff A-2, there shall be minimum monthly charges at the following rates even if no energy is consumed.

a) Single Phase Connections;

Rs. 175/- per consumer per month

b) Three Phase Connections:

Rs. 350/- per consumer per month

B INDUSTRIAL SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
B1	Less than 5 kW (at 400/230 Volts)	-		18.46
B2(a)	5-500 kW (at 400 Volts)	400.00		17.06
B3(a)	For all loads upto 5000 KW (at 11,33 kV)	380.00		16.66
B4(a)	For all loads upto 5000 KW (at 66,132 kV)	360.00		16.26
	Time Of Use			
B2(b)	5-500 kW (at 400 Volts)	400.00	22.46	16.21
B3(b)	For All Loads up to 5000 kW (at 11,33 kV)	380.00	21.96	15.71
B4(b)	For All Loads (at 66,132 kV & above)	360.00	21.46	15.46
B5	For All Loads (at 220 kV & above)	340.00	20.96	15.21

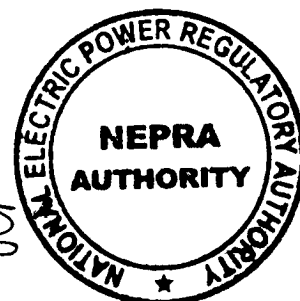
For B1 consumers there shall be a fixed minimum charge of Rs. 350 per month.

For B2 consumers there shall be a fixed minimum charge of Rs. 2,000 per month.

For B3 consumers there shall be a fixed minimum charge of Rs. 50,000 per month.

For B4 consumers there shall be a fixed minimum charge of Rs. 500,000 per month.

For B5 consumers there shall be a fixed minimum charge of Rs. 1000,000 per month.



C - SINGLE-POINT SUPPLY FOR PURCHASE IN BULK BY A DISTRIBUTION LICENSEE AND MIXED

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
C -1	For supply at 400/230 Volts			
a)	Sanctioned load less than 5 kW	-		18.46
b)	Sanctioned load 5 kW & up to 500 kW	400.00		17.61
C -2(a)	For supply at 11,33 kV up to and including 5000 kW	380.00		17.61
C -3(a)	For supply at 132 and above, up to and including Time Of Use	360.00		17.46
C -1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	400.00	22.46	16.46
C -2(b)	For supply at 11,33 kV up to and including 5000 kW	380.00	21.96	15.66
C -3(b)	For supply at 132 kV up to and including 5000 kW	360.00	21.46	15.46

D - AGRICULTURE TARIFF

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
D-1	For all Loads Time of Use	200.00		17.94
D-2	For all Loads	200.00	24.06	16.06

Note:- The consumers having sanctioned load less than 5 kW can opt for TOU metering.

E - TEMPORARY SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
E-1(i)	Residential Supply	-		21.86
E-1(ii)	Commercial Supply	-		24.76
E-2 (i)	Industrial Supply	-		21.46
E-2 (ii)	Bulk Supply			
	(a) at 400 Volts	-		21.86
	(b) at 11 kV			21.46

For the categories of E-1(i&ii) and E-2 (i&ii) above, the minimum bill of the consumers shall be Rs. 50/- per day subject to a

F - SEASONAL INDUSTRIAL SUPPLY TARIFF

125% of relevant industrial tariff

Note:

Tariff-F consumers will have the option to convert to Regular Tariff and vice versa. This option can be

G- PUBLIC LIGHTING

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
	Street Lighting	-		21.46

Under Tariff G, there shall be a minimum monthly charge of Rs.500/- per month per kW of lamp capacity installed.

H - RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
	Residential Colonies attached to industrial premises	-		19.46

