

**KARACHI ELECTRIC SUPPLY COMPANY LTD.**

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Ref. No. DRA&SP/NEPRA/071/
June 25, 2012

The Registrar
National Electric Power Regulatory Authority
2nd Floor, OPF Building, G-5/2
Islamabad

Dear Sir

Subject: **MONTHLY FUEL COST ADJUSTMENT (FCA) DUE TO VARIATION IN FUEL AND POWER PURCHASE PRICE OF MAY 2012**

This is with reference to fuel cost adjustment based on units sent out for the month of May 2012 as per tariff determination of 23rd December 2009.

The submission is based on the actual invoice of NTDC for the month of May 2012. Besides the units sent out on Gas and Furnace oil at Bin Qasim Power Station haven been worked out in the ratio of actual units generated on Gas & F.Oil at BQPS.

Required Monthly Adjustment:

The results of May 2012 have been finalized and the summarized position is as under;

DESCRIPTION	MAY 2012 (Over Mar-12)
Fuel Price Variation (Ps/kWh)	86.529
Power Purchase Price Variation (Ps/kWh)	(34.767)
Total Fuel Costs Adjustment (Ps/kWh)	51.762

Please be noted that the variation on BQPS-II Combined Cycle Power Project has not been taken as per the Authority's directive vide FCA decision of Aug-11 dated 03.02.2012. However, the Heat Rate Tests of BQPS-II has recently conducted in the presence of Authority's representatives and the report of which will be submitted as soon received from M/s Pakistan Engineering Services (Pvt.) Ltd.

Further, we have already submitted the reports of HRTs of Site Gas Turbine, Korangi Gas Turbine and Korangi Combined Cycle Power Stations and requested the Authority vide our letter no. DRA&SP\NEPRA\071\897 dated 25.04.2012 to approve the Results of the same.

Moreover, it is certified that the cost of fuel and power purchase claimed does not include any amount of late payment surcharge/ markup/ interest.

Kind Regards

Abdul Rauf Yousuf
Director RA & SP

Copy to:
Secretary, M/o Water and Power, Islamabad
Mr. Sajjad Muhammad Qureshi, Director Tariff, NEPRA, Islamabad

K. E. S. C. LTD**SUMMARY OF REQUIRED ADJUSTMENT ON ACCOUNT OF VARIATION IN COST OF FUEL AND POWER PURCHASES**

DESCRIPTION	Mar-12	May-12
1 <u>MONTHLY ALLOWABLE ADJUSTMENT ON UNITS SENT OUT BASIS</u>		
a. Monthly Variation in		
i Fuel Price	Mill Rs. 716.398	1,297.467
ii Power Purchase Price - Fuel component	Mill Rs. 1,069.460	(521.320)
iii Total Monthly Variation (i + ii) - Over Reference Tariff	Mill Rs. 1,785.857	776.148
b. Units Sent Out	Mill kWh 1,121.602	1,499.467
2 a Monthly Variation in FSA - due to		
i Fuel Price	Ps/kWh 63.873	86.529
ii Power Purchase Price - Fuel component	Ps/kWh 95.351	(34.767)
b Monthly increase/decrease to be passed to Consumers (i+ii)	Ps/kWh 159.224	51.762
c Units Sold at 21% T&D losses	Mill kWh 886.065	1,184.579

Work Sheet- Fuel Price Variation

DESCRIPTION		Mar-12	May-12
1 UNITS SENT OUT - KESC			
1a UNITS SENT OUT ON GAS			
i Bin Qasim	Mill kWh	256.905	186.165
ii Bin Qasim II - CCPP	Mill kWh	16.373	281.056
iii Korangi Thermal	Mill kWh	(0.160)	(0.156)
iv Korangi Gas 2	Mill kWh	48.911	59.567
v Site Gas 2	Mill kWh	13.171	52.482
vi Korangi combined	Mill kWh	72.322	90.306
Total (i to viii)	Mill kWh	407.523	669.420
1b UNITS SENT OUT ON F. OIL			
i Bin Qasim	Mill kWh	105.161	217.097
Total (i to viii)	Mill kWh	105.161	217.097
1c TOTAL UNITS SENT OUT (1 + 2)			
i Bin Qasim	Mill kWh	362.066	403.262
ii Bin Qasim II - CCPP		16.373	281.056
iii Korangi Thermal	Mill kWh	(0.160)	(0.156)
iv Korangi Gas 2	Mill kWh	48.911	59.567
v Site Gas 2	Mill kWh	13.171	52.482
vi Korangi combined	Mill kWh	72.322	90.306
Total (i to vii)	Mill kWh	512.684	886.517
2 HEAT RATE AT BUS BAR			
2a Heat Rate of GAS - of item 1			
i Bin Qasim	Btu/kWh	10,650	10,650
ii Bin Qasim II - CCPP	Btu/kWh	12,163	12,163
iii Korangi Thermal	Btu/kWh	13,738	13,738
iv Korangi Gas 1	Btu/kWh	17,039	17,039
iv Korangi Gas 2	Btu/kWh	9,500	9,500
vi Site Gas 1	Btu/kWh	17,039	17,039
v Site Gas 2	Btu/kWh	9,500	9,500
vi Korangi combined	Btu/kWh	9,110	9,110
2b CONVERSION FACTOR F. OIL - of item 2			
i Bin Qasim	Kg/kWh	0.264	0.264
ii Korangi Thermal	Kg/kWh	0.340	0.340
3 FUEL PRICES			
a. Fuel Prices- Gas (Rs/MMBTu)	Rs/MMBTu	507.86	507.86
b. Fuel Price -F.O (Rs/Kg)	Rs/Kg	71,843	70,833

4 COST OF FUEL

4a COST OF GAS

i Bin Qasim	Mill Rs	1,389.522	1,006.914
ii Bin Qasim II - CCPP	Mill Rs	101.141	1,736.125
iii Korangi Thermal	Mill Rs	(1.116)	(1.091)
iv Korangi Gas 2	Mill Rs	235.981	287.391
v Site Gas 2	Mill Rs	63.545	253.210
vi Korangi combined	Mill Rs	334.607	417.810
Total (i to vii)	Mill Rs	2,123.680	1,964.235

4b COST OF FURNACE OIL

i Bin Qasim	Mill Rs	1,994.554	4,059.675
Total (i to vii)	Mill Rs	1,994.554	4,059.675

4c TOTAL COST OF FUEL

i Bin Qasim	Mill Rs	3,384.076	5,066.589
ii Bin Qasim II - CCPP	Mill Rs	101.141	1,736.125
iii Korangi Thermal	Mill Rs	(1.116)	(1.091)
iv Korangi Gas 2	Mill Rs	235.981	287.391
v Site Gas 2	Mill Rs	63.545	253.210
vi Korangi combined	Mill Rs	334.607	417.810
Total	Mill Rs	4,118.234	6,023.909

5 COST OF FUEL PER KWH

a Bin Qasim	Rs/kWh	9.347	12.564
b Bin Qasim II - CCPP	Rs/kWh	6.177	6.177
c Korangi Thermal	Rs/kWh	6.977	6.977
d Korangi Gas 2	Rs/kWh	4.825	4.825
e Site Gas 2	Rs/kWh	4.825	4.825
f Korangi combined	Rs/kWh	4.627	4.627

6 INCREASE/DECREASE IN COST OF FUEL PER KWH

a Bin Qasim	Rs/kWh	3.217	
b Bin Qasim II - CCPP	Rs/kWh		
c Korangi Thermal	Rs/kWh	-	
d Korangi Gas 1	Rs/kWh	-	
d Korangi Gas 2	Rs/kWh	-	
f Site Gas 1	Rs/kWh	-	
e Site Gas 2	Rs/kWh	-	
f Korangi combined	Rs/kWh	-	

7 INCREASE / DECREASE IN FUEL COST OVER PREVIOUS MONTH

a Bin Qasim	Mill Rs	1,297.467
b Bin Qasim II - CCP	Mill Rs	-
c Korangi Thermal	Mill Rs	-
d Korangi Gas 1	Mill Rs	-
d Korangi Gas 2	Mill Rs	-
f Site Gas 1	Mill Rs	-
e Site Gas 2	Mill Rs	-
f Korangi combined	Mill Rs	-
Total (a to g)	Mill Rs	1,297.467

**8 INCREASE / DECREASE IN TARIFF
TO BE PASSED IN THE MONTHLY BILLS**

a Fuel price variation (item 7-h)	Mill Rs	1,297.467
b Units Sent Out - KESC	Mill kWh	886.517
c Power Purchase	Mill kWh	612.950
d Total Units Sent Out (b + c)	Mill kWh	1,499.467
e Increase / Decrease in Tariff (8a / 8d x 100)		
To be passed on to the consumers - FSA	Ps/kWh	86.529

Work Sheet- Power Purchase Cost Variation

DESCRIPTION	Mar-12	May-12
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1 POWER PURCHASES

a KANUPP	Mill kWh	54.213	50.354
b PASMIC	Mill kWh	1.239	0.138
c TAPAL	Mill kWh	31.193	17.649
d GUL AHMED	Mill kWh	31.287	70.408
e NTDC/WAPDA	Mill kWh	479.102	463.386
f ANOUD POWER	Mill kWh	4.434	3.312
h INT IND (IIL)	Mill kWh	7.450	7.703
m TOTAL	Mill kWh	608.918	612.950

2 COST OF POWER PURCHASE - FUEL COST

a KANUPP	Mill Rs	469.229	432.991
b PASMIC	Mill Rs	10.727	1.188
c TAPAL	Mill Rs	499.614	284.346
d GUL AHMED	Mill Rs	517.159	1,151.613
e NTDC/WAPDA	Mill Rs	4,576.331	3,735.277
f ANOUD POWER	Mill Rs	54.102	39.905
h INT IND (IIL)	Mill Rs	36.512	37.850
m TOTAL	Mill Rs	6,163.675	5,683.168

3 COST OF POWER PURCHASE- Fuel Cost/kWh

a	KANUPP	Rs/kWh	8.655	8.599
b	PASMIC	Rs/kWh	8.655	8.599
c	TAPAL	Rs/kWh	16.017	16.111
d	GUL AHMED	Rs/kWh	16.530	16.356
e	NTDC/WAPDA	Rs/kWh	9.552	8.061
f	ANOUD POWER	Rs/kWh	12.202	12.049
h	INT IND (IIL)	Rs/kWh	4.901	4.914
m	AVERAGE	Rs/kWh	10.122	9.272

4 INCREASE / DECREASE IN FUEL COMPONENT OF POWER PURCHASE - TO BE PASSED IN THE MONTHLY BILLS

a	Average Monthly Fuel cost of Power Purchase (Item 3m)	Rs/kWh		9.272
b	Reference Rate - Previous Month	Rs/kWh		10.122
c	Increase / Decrease in Average Rate of Power Purchase (4a-4b)	Rs/kWh		(0.851)
d	Total Power Purchase (Item 1m)	Mill kWh		612.950
e	Increase / Decrease in Fuel Cost of Power Purchase (4c*4d)	Mill Rs		(521.320)

5 INCREASE / DECREASE IN TARIFF TO BE PASSED IN THE MONTHLY BILLS

a	Fuel price variation in cost of power purchase (Item 4a)			(521.320)
b	Units Sent Out - KESC	Mill kWh		886.517
c	Power Purchase	Mill kWh		612.950
d	Total Units Sent Out (b + c)	Mill kWh		1,499.467
e	Increase / Decrease in Tariff (5a / 5d x 100) To be passed on to the consumers - FSA	Ps/kWh		(34.767)

FURNACE OIL

Vendor	Inv Date	Invoice No	Quantity	Total Cost	Total GST Amount	Grand Total (BYCO)
BYCO	24-May-12	500046121	994.398	69,541,264.37	11,126,602	80,667,867
			994	69,541,264	11,126,602	80,667,867

Vendor	Inv Date	Invoice No	Quantity	Total Cost	Total GST Amount	Total Financial charges (PSO)	Grand Total (PSO)
PSO	01-May-12	960954553	1,486.479	105,318,523.63	16,850,964	780,713	122,950,201
PSO	02-May-12	960954554	2,955.689	209,413,521.34	33,506,163	1,552,357	244,472,041
PSO	03-May-12	960956506	2,972.631	210,613,878.98	33,698,221	1,561,255	245,873,354
PSO	04-May-12	960959609	2,985.022	211,491,793.72	33,838,687	1,567,763	246,898,243
PSO	05-May-12	960964031	2,484.301	176,015,210.15	28,162,434	1,304,779	205,482,423
PSO	06-May-12	960964032	1,981.231	140,372,197.58	22,459,552	1,040,562	163,872,311
PSO	07-May-12	960966682	2,982.473	211,311,194.52	33,809,791	1,566,424	246,687,409
PSO	08-May-12	960971699	1,482.498	105,036,465.80	16,805,835	778,622	122,620,923
PSO	09-May-12	960973595	1,483.011	105,072,812.36	16,811,650	778,892	122,663,354
PSO	10-May-12	960976612	1,479.686	104,837,232.79	16,773,957	777,145	122,388,335
PSO	11-May-12	960981160	2,989.571	211,814,094.92	33,890,255	1,570,152	247,274,502
PSO	12-May-12	960983664	2,978.607	211,037,284.56	33,765,966	1,564,393	246,367,643
PSO	13-May-12	960983665	1,978.053	140,147,033.10	22,423,525	1,038,893	163,609,451
PSO	14-May-12	960986865	2,976.488	210,887,151.29	33,741,944	1,563,280	246,192,376
PSO	15-May-12	960990042	1,979.246	140,231,558.35	22,437,049	1,039,519	163,708,127
PSO	16-May-12	960995128	1,481.764	104,168,009.20	16,666,881	771,199	121,606,090
PSO	17-May-12	960997446	1,475.333	103,715,909.90	16,594,546	767,852	121,078,307
PSO	18-May-12	960999799	1,481.399	104,142,349.70	16,662,776	771,009	121,576,135
PSO	19-May-12	961004535	1,489.970	104,744,891.00	16,759,183	775,470	122,279,543
PSO	20-May-12	961004536	959.123	67,426,346.90	10,788,216	499,185	78,713,748
PSO	21-May-12	961007553	2,472.281	173,801,354.30	27,808,217	1,286,723	202,896,294
PSO	22-May-12	961009970	990.280	69,616,684.00	11,138,669	515,401	81,270,755
PSO	23-May-12	961012755	1,484.682	104,373,144.60	16,699,703	772,718	121,845,565
PSO	24-May-12	961015408	987.345	69,410,353.50	11,105,657	513,874	81,029,884
PSO	24-May-12	961015409	995.214	69,963,544.20	11,194,167	517,969	81,675,680
PSO	25-May-12	961018318	2,482.139	174,494,371.70	27,919,099	1,291,854	203,705,325
PSO	26-May-12	961021892	2,483.600	174,597,080.00	27,935,533	1,292,614	203,825,227
PSO	27-May-12	961021893	2,475.261	174,010,848.30	27,841,736	1,288,274	203,140,858
PSO	28-May-12	961024910	2,481.683	174,462,314.90	27,913,970	1,291,617	203,667,902
PSO	29-May-12	961027811	2,474.096	173,928,948.80	27,828,632	1,287,668	203,045,249
PSO	30-May-12	961029807	2,481.395	174,442,068.50	27,910,731	1,291,467	203,644,266
PSO	30-May-12	961029808	1,485.491	104,430,017.30	16,708,803	773,139	121,911,959
PSO	31-May-12	961030915	3,969.537	279,058,451.10	44,649,352	2,065,985	325,773,789
			69,346	4,894,386,641	783,101,863	36,258,766	5,713,747,269
			70,340	4,963,927,905	852,643,127	47,385,368	5,794,415,136

PSO & BYCO					Mton	PKR
Opening as April-2012					5,847	425,464,423
Purchases May' 12					70,340	4,963,927,906
Sloc	MvT	Pstng Date	Mat. Doc.	Quantity	Amount	
BQ04	201	18.05.2012	4900484599	(8,380)	(596,291,735)	
BQ04	201	18.05.2012	4900484601	(8,509)	(605,519,131)	
BQ04	201	18.05.2012	4900484603	(3,281)	(233,451,624)	
BQ04	201	18.05.2012	4900484605	(3,348)	(238,252,831)	
BQ04	201	18.05.2012	4900484606	(105)	(7,483,961)	
BQ04	201	18.05.2012	4900484610	(10,905)	(776,015,678)	
BQ04	201	31.05.2012	4900492995	(6,334)	(445,884,219)	
BQ04	201	31.05.2012	4900493000	(7,813)	(550,015,364)	
BQ04	201	31.05.2012	4900493003	(12)	(845,484)	
BQ04	201	31.05.2012	4900493004	(11,919)	(839,080,895)	
Consumption May' 12					(60,605)	(4,292,840,922)
Closing as May-2012					15,582	1,096,551,407

May-12

Description	MMBTU (As per Bills)	Cubic Meters	GCV AS PER BILLS	MMCF	BTU/CF	MMBTUs	Amount excluding Meter rent	GID-CESS Rs.	Meter rent	Total SSGC	Rs/MMBTU	MMCFD	Days	GCV	MMBTUs	Amount
BIN QASIM																
Bin Qasim Power Station (1)	343,540.8408	10,402,514	930.440	369.226	12,193.666	343,542.51	165,195,049	9,275,603	2,500	174,473,152	480.86	11.91	31	930.435	343,541	174,470,651
Bin Qasim Power Station (2)	350,401.7739	10,610,265	930.440	376.600	12,437.188	350,403.48	168,494,197	9,460,848	2,500	177,957,545	480.86	12.15	31	930.435	350,402	177,955,045
Bin Qasim Power Station (3)	351,884.8842	10,655,174	930.440	378.194	12,489.830	351,886.59	169,207,365	9,500,892	2,500	178,710,757	480.86	12.20	31	930.435	351,885	178,708,257
Bin Qasim Power Station (4)	347,432.7793	10,520,363	930.440	373.409	12,331.807	347,434.47	167,066,526	9,380,685	2,500	176,449,711	480.86	12.05	31	930.435	347,433	176,447,211
Bin Qasim Power Station (5)	343,986.7085	10,416,015	930.440	369.705	12,209.491	343,988.38	165,409,449	9,287,641	2,500	174,699,590	480.86	11.93	31	930.435	343,987	174,697,090
Bin Qasim Power Station (6)	352,188.8114	10,664,377	930.440	378.520	12,500.617	352,190.52	169,353,512	9,509,098	2,500	178,865,110	480.86	12.21	31	930.435	352,189	178,862,610
Total	2,089,435.7981	63,268,708	930.4400	2,245.65	74,162.599	2,089,445.9462	1,004,726,098	56,414,767	15,000	1,061,155,865	480.86	72.44	31	930.435	2,089,436	1,061,140,864
BIN QASIM - II																
Bin Qasim Power Station (7)	451,264.5025	13,664,417	930.440	485.004	16,017.218	451,266.69	216,995,049	12,184,142	2,500	229,181,691	480.86	16	31	930.435	451,265	229,179,190
Bin Qasim Power Station (8)	459,613.1034	13,917,215	930.440	493.976	16,313.544	459,615.34	221,009,557	12,409,554	2,500	233,421,611	480.86	16	31	930.435	459,613	233,419,111
Bin Qasim Power Station (9)	469,127.7105	14,205,320	930.440	504.202	16,651.256	469,129.99	225,584,751	12,666,448	2,500	238,253,699	480.86	16	31	930.435	469,128	238,251,199
Bin Qasim Power Station (10)	480,311.0603	14,543,955	930.440	516.222	17,048.199	480,313.39	230,962,376	12,968,399	2,500	243,933,275	480.86	17	31	930.435	480,311	243,930,775
Bin Qasim Power Station (11)	511,553.6345	15,489,989	930.440	549.800	18,157.125	511,556.12	245,985,681	13,811,948	2,500	259,800,129	480.86	18	31	930.435	511,554	259,797,629
Total	2,371,870.0112	71,820,896	930.440	2,549.2042	84,187.341	2,371,881.53	1,140,537,414	64,040,491	12,500	1,204,590,405	480.86	82	31	930.435	2,371,870	1,204,577,904
Korangi Thermal Power Station	-	(0.0273)	981.483	(0.000)	(0.000)	(0.001)	16,214	-	3,000	19,214	-	(0.00)	31	-	-	-
Korangi Town Gas Turbine	614,076.2474	17,701,868	977.350	628.308	21,796.001	614,077.26	295,284,704	16,580,059	3,000	311,867,763	480.86	20.27	31	977.348	614,076	311,864,763
Site Gas Turbine	280,452.7456	8,808,543	897.020	312.650	9,954.371	280,452.95	134,858,507	7,572,224	3,000	142,433,731	480.86	10.09	31	897.019	280,453	142,430,731
Site Gas Turbine - 2	228,372.0797	7,172,778	897.020	254.590	8,105.823	228,372.24	109,814,998	6,166,046	2,500	115,983,544	480.86	10.09	31	897.019	280,453	142,430,731
Total	508,824.8253	15,981,321	897.020	567.2395	18,060.194	508,825.19	244,673,505	13,738,270	5,500	258,417,275	480.86	18.30	31	897.019	508,825	258,411,776
KTPS 1	390,911.8385	11,132,320	989.330	395.130	13,875.047	390,913.49	187,973,867	10,554,620	2,500	198,530,987	480.86	12.75	31	989.326	390,912	198,528,486
KTPS 2	427,242.4536	12,166,937	989.330	431.852	15,164.568	427,244.26	205,443,806	11,535,546	2,500	216,981,852	480.86	13.93	31	989.326	427,242	216,979,352
Total	818,154.2921	23,299,257	989.330	826.9817	29,039.615	818,157.76	393,417,673	22,090,166	5,000	415,512,839	480.86	26.68	31	989.326	818,154	415,507,839
Total	6,402,361.1741	192,072,050	939.126	6,817.3874	939.126	6,402,387.6857	3,078,655,608	172,863,753	44,000	3,251,563,361	480.86	219.92	31	939.122	6,402,361	3,251,503,146