

For information & n/a. Please

- SA (Tariff-I)
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CC: Chairman
• M (Tariff)

Ref No. KE/BPR/NEPRA/2021/946

April 28, 2021

Mr. Syed Safer Hussain,
Registrar,
National Electric Power Regulatory Authority,
NEPRA Tower, Attaturk Avenue (East),
Sector G-5/1,
Islamabad.

Subject: Quarterly variation for the quarter January 2021 to March 2021 under Multi-Year Tariff 2017 - 2023

Dear Sir,

This is with reference to the mechanism for monthly and quarterly variations provided in the Multi-Year Tariff Determination of K-Electric Limited (KE) dated July 5, 2018 (MYT), notified vide SRO No. 576 (I)/2019 dated May 22, 2019.

In this regard, please find attached calculation of quarterly variation for the quarter January 2021 to March 2021 along with relevant supports, for Authority's approval.

Quarter	Quarterly Variation per unit (PKR / kWh)
January 2021 to March 2021	0.366

KE dispatches as per Economic Merit Order from its own generating units (with the available fuel resources) and import from external sources. It is also certified that the cost of fuel and power purchase claim does not include any amount of late payment surcharge / mark-up / interest. Requisite details including generation statistic sheets and invoices have already been submitted with monthly cost variations for the months of January 2021 to March 2021.

Heat Rate

In the MYT, NEPRA determined provisional Heat rates for KE's generating plants and directed KE to conduct fresh Heat rate test for its plants, based on which final Heat rates will be determined by NEPRA.

In this regard, NEPRA has issued its decision on Heat rate for BQPS - II plant on January 01, 2020 and accordingly the calculations are based on Heat rates determined therein.

Further, with respect to Heat Rates of KCCP, SGTPS & KGTPS, NEPRA issued its determination on September 02, 2020 and January 18, 2021 respectively, against which KE has filed review motions. The required adjustment will be incorporated after the final heat rates are determined.

Moreover, Heat rate test of BQPS I Plant has been conducted and Independent Engineers' reports have been submitted to NEPRA. The working for required adjustment will be submitted to NEPRA after determination of final Heat rates BQPS I based on the test results.

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Further, KE would humbly request NEPRA for expeditious processing of pending monthly variations for June 2020 to March 2021 and quarterly tariff variations for the period April 2020 to December 2020.

Sincerely,

Ayaz Jaffar Ahmed
Director – Finance & Regulations

Enclosed:

- Calculation sheet of quarterly adjustment – January 2021 to March 2021
- Supporting Documents for the quarter – January 2021 to March 2021

K ELECTRIC LIMITED

QUARTERLY ADJUSTMENT IN TARIFF DUE TO VARIATION IN FUEL AND POWER PURCHASE COST INCLUDING O&M AND CAPACITY CHARGES	Quarter ended Mar 2021
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		Mar-21
Required adjustment in Tariff		
Quarterly Revision to reset price levels	Rs/kWh	0.854
Unrecovered Cost for current quarter	Rs/kWh	0.671
Reversal of unrecovered cost of previous quarter	Rs/kWh	(1.159)
Total Required adjustment in KE's Tariff	Rs/kWh	0.366
Total Required adjustment in KE's Tariff	Ps/kWh	36.637

Quarterly Revision to reset price levels

Units Sent Out	GWh	1,568.671
T&D Losses allowed	GWh	16.80%
Units billed	GWh	1,305.134
Cost of Fuel - KE - Note 1	Mill Rs	12,467.377

	Rs/kWh	Dec-20	Mar-21	Variation
Weighted Average Fuel cost per unit billed		6.904	9.553	2.649

Cost of Power Purchases		Mar-21
- Fuel Cost	Mill Rs	5,299.675
- O&M and Capacity Cost	Mill Rs	3,616.709
- Total Cost of Power Purchases	Mill Rs	8,916.384

Weighted Average Cost of Power Purchases (cost per unit billed)		Dec-20	Mar-21	
- Fuel Cost - Note 2	Rs/kWh	4.910	4.061	(0.850)
- O&M Cost and capacity cost - Note 2	Rs/kWh	3.716	2.771	(0.945)
- Total Cost of Power Purchases	Rs/kWh	8.626	6.832	(1.794)

QUARTERLY INCREASE/DECREASE IN COST PER UNIT BILLED		
- Cost of Fuel - KE	Rs/kWh	2.649
- Cost of Power Purchases - Total	Rs/kWh	(1.794)
- Total Cost Variation	Rs/kWh	0.854

Note 1: Includes installment of GIDC arrears billed by SSGC as per Supreme Court order dated November 02, 2020.

Note 2: CPPA-G fuel cost for the month of March 2021 is based on NEPRA's determination for the month of February 2021 (latest determined). Further, Quarterly Variations filed for the quarter ended December 2020 includes fuel cost and O&M of CPPA-G for the month of December 2020 based on NEPRA's determination for the month of November 2020 (latest determined at that time), however, the same has been updated based on NEPRA's determination for the month of December 2020 in Reference Cost.

Note 3: Please note that the latest SoT determined by NEPRA, applicable for the quarter April to June 2020, is in continuation of SoTs determined by NEPRA vide its decision dated December 31, 2019 which were based on sales mix of FY 17 to 19. However, post MYT notification on May 22, 2019 updated terms and conditions have been applied including changes in definition of lifeline consumers and conversion of eligible consumers to "A3" category along with enabling of Time of Use (ToU) metering for Residential and Commercial consumers etc. Accordingly, KE would request NEPRA to adjust the impact while issuing determination of Quarterly SoTs.

K ELECTRIC LIMITED

QUARTERLY ADJUSTMENT IN TARIFF DUE TO VARIATION IN FUEL AND POWER PURCHASE COST INCLUDING O&M AND CAPACITY CHARGES	Quarter ended Mar 2021				
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ADJUSTMENT IN TARIFF DUE TO UNRECOVERED COST			Dec-20	Jan-21	Feb-21	Mar-21	QTR
			Reference				
Units Sent Out	GWh	a		1,037,940	1,111,775	1,568,671	
T&D Losses allowed		b		16.8%	16.8%	16.8%	
Units billed	GWh	c = a x (1-b)		868,566	924,997	1,305,134	3,093,697
a. O&M and Capacity cost of Power purchases							
O&M and Capacity cost of Power purchases	Mill Rs	d		3,360,979	3,136,521	3,616,709	
O&M and Capacity cost of power purchases (per unit billed)	Rs/kWh	e = d/c	3.716	3.892	3.391	2.771	
Increase or decrease in O&M and Capacity cost (over Reference)	Rs/kWh	f		0.176	(0.325)	(0.945)	
O&M and Capacity Cost of Power Purchases - Monthly variations Amount	Mill Rs	g = f x c		152,124	(300,601)	(1,232,932)	(1,381,409)
b. Unrecovered Cost of FCA due to non adjustment of T&D losses							
i Monthly variation in Fuel Cost (FCA) - Per unit							
Cost of Fuel - KE	Rs/kWh	h		0.841	3.006	2.204	
Cost of Fuel - Power Purchases - Note 1	Rs/kWh	i		0.151	(0.511)	(0.707)	
Total	Rs/kWh	j = h + i		0.992	2.495	1.497	
ii Monthly variation in Fuel Cost (FCA) - Amount							
Cost of Fuel - KE	Mill Rs	k = h x a		872,736	3,341,498	3,456,783	7,671,017
Cost of Fuel - Power Purchases	Mill Rs	l = i x a		156,997	(568,073)	(1,108,969)	(1,520,045)
Total	Mill Rs	m = k + l		1,029,733	2,773,425	2,347,814	6,150,973
iii Unrecovered Cost of FCA due to non adjustment of T&D losses							
Cost of Fuel - KE	Mill Rs	n = k x b		146,620	961,372	580,740	1,288,731
Cost of Fuel - Power Purchases	Mill Rs	o = l x b		26,376	(95,436)	(186,307)	(255,367)
Total	Mill Rs	p = n + o		172,995	465,935	394,433	1,033,363
Summary of Unrecovered cost for the quarter							
a. O&M and Capacity cost of Power purchases	Mill Rs						(1,381,409)
b. Unrecovered Cost of FCA due to non adjustment of T&D losses	Mill Rs						1,033,363
c. Other Adjustments	Mill Rs						3,313,155
Total Unrecovered cost for the quarter	Mill Rs	q					2,965,110
Estimated Units to be sold in next quarter at allowed T&D losses - Note 3	GWh	r					4,417,056
Unrecovered Cost per unit for current quarter	Rs/kWh	s = q / r					0.671

Notes:

- For calculation of FCA, CPPA-G's fuel cost for the month of March 2021 is based on NEPRA's determination of fuel cost for the month of February 2021 (latest determined).
- FPCL Fuel Price Adjustment amounting to PKR. 54,186 million, KE's tax pass through amounting to PKR 2,942,252 million for FY 2020, STDC Wheeling Charges from July 2015 to March 2020 amounting to PKR. 314,548 million and Kanupp's adjustment for the month of January 2021 amounting to PKR. 2,169 million.
- To be actualised.

Work Sheet- Power Purchase O&M and Capacity Cost

DESCRIPTION		Dec-20	Jan-21	Feb-21	Mar-21
1 O&M COST					
a	KANUPP Mill Rs.	11.149	19.088	-	20.733
b	TAPAL Mill Rs.	38.027	44.185	45.404	52.010
c	GUL AHMED Mill Rs.	28.754	43.065	40.401	49.553
d	CPPA-G - Note 1 Mill Rs.	114.725	137.029	67.825	131.885
e	ANOUD POWER Mill Rs.	-	-	-	-
f	INT IND (IIL) Mill Rs.	5.915	1.057	3.618	11.460
g	FFBL Mill Rs.	23.479	11.888	21.297	23.583
h	SNPC - Note 2 Mill Rs.	63.578	51.770	51.782	63.290
i	OURSUN Mill Rs.	19.094	18.855	19.028	22.383
j	CPPA-G - 150 MW - Note 1 Mill Rs.	7.718	5.285	3.745	5.869
k	Gharo Solar Mill Rs.	5.863	6.698	6.812	8.652
l	LOTTE Mill Rs.	6.425	6.811	5.819	4.569
TOTAL Mill Rs.		324.726	345.730	265.731	393.987
CAPACITY COST					
a	KANUPP Mill Rs.	-	-	-	-
b	TAPAL Mill Rs.	81.811	92.871	95.434	109.319
c	GUL AHMED Mill Rs.	64.291	93.918	88.108	108.067
d	CPPA-G Mill Rs.	1,866.152	1,955.336	1,744.003	1,991.045
e	ANOUD POWER Mill Rs.	-	-	-	-
f	INT IND (IIL) Mill Rs.	-	-	-	-
g	FFBL Mill Rs.	250.420	127.553	228.512	253.043
h	SNPC - Note 2 Mill Rs.	187.836	176.800	189.022	211.412
i	OURSUN Mill Rs.	127.472	125.176	123.100	148.594
j	CPPA-G - 150 MW Mill Rs.	392.987	395.287	353.480	338.849
k	Gharo Solar Mill Rs.	42.281	48.309	49.131	62.394
l	LOTTE Mill Rs.	-	-	-	-
TOTAL Mill Rs.		3,013.251	3,015.249	2,870.790	3,222.723
3 TOTAL O&M & CAPACITY COST					
a	KANUPP Mill Rs.	11.149	19.088	-	20.733
b	TAPAL Mill Rs.	119.838	137.056	140.838	161.330
c	GUL AHMED Mill Rs.	93.045	136.982	128.508	157.619
d	CPPA-G - Note 1 Mill Rs.	1,980.877	2,092.365	1,811.828	2,122.930
e	ANOUD POWER Mill Rs.	-	-	-	-
f	INT IND (IIL) Mill Rs.	5.915	1.057	3.618	11.460
g	FFBL Mill Rs.	273.899	139.440	249.809	276.626
h	SNPC - Note 2 Mill Rs.	251.414	228.570	240.804	274.702
i	OURSUN Mill Rs.	146.566	144.031	142.128	170.977
j	CPPA-G - 150 MW - Note 1 Mill Rs.	400.706	400.572	357.225	344.717
k	Gharo Solar Mill Rs.	48.144	55.007	55.943	71.046
l	LOTTE Mill Rs.	6.425	6.811	5.819	4.569
TOTAL Mill Rs.		3,337.978	3,360.979	3,136.521	3,616.709

Note 1: O&M Rate of CPPA-G for the month of March 2021 are provisional and are taken from Energy Purchase Data of March 2021.

Note 2: Pursuant to NEPRA's decision of SNPC dated November 05, 2020, charges for January 2021 to March 2021 include O&M and Debt Service Component at indexed rate and insurance components at reference rates and excludes ROE & ROEDC component. Any further adjustments / indexations will be claimed in future upon final determination by NEPRA.

ORIGINAL SEEN
BMC-AP
DP # _____
K-ELECTRIC

KE K - Electric Limited
(Formerly Karachi Electric Supply Company Limited)

Incoming Bill Sticker

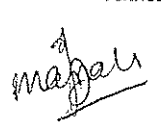
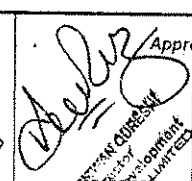


Vendor Code	350001	Vendor Name:	M/s. KARACHI NUCLEAR POWER COMPLEX		
Vendor Bill Details		Energy Payment for January-2021			
Invoice Date	12-Feb-21	Invoice No.	467	Amount	204,050,105
Bill Receiving Date	16-Feb-21	P. O. No.	99-2499	G.R. No.	
					Signature & Name / Date

NASIR SHAMIM By
Deputy Manager
Power Purchase Department
K-ELECTRIC LIMITED
Signature & Name / Date

Bill Verification Details						
GL Account	CC	Tax Code	Order No.	Amount (In Full Rupees)	Remarks	
EAB001	220000000			224,586,815	Energy Payment Jan '21	
APD001	220000000	GST 17%		38,179,759		
				Gross Amount		262,766,574
Parking No.		Less :	Down Payment			
Parking Date			Other Adjustment			
Payment Due Date			Deducted sale to KANUPP	(58,716,470)		- Dupont Billing
Checked & Posted by			Retention			
			LD Charges			
			Net Amount	204,050,105		
Accounts Payable			I.Tax			
			Amount Payable			

Rupees:-

Document Forwarded to:		
Business Area / Department:	Addressee Name & Location:	Forwarded Date:

<p>Verified By</p>  <p>Signature / Name / Date</p>	<p>Approved By</p>  <p>Signature / Name / Date</p>	<p>Commercial</p>  <p>Signature / Name / Date</p>	<p>Functional Approval</p>  <p>Signature / Name / Date</p>
<p>MIRZA NADEEM Director Commercial Regulatory K-ELECTRIC LIMITED</p>	<p>AMIR IQBAL KHAN Director Commercial Regulatory K-ELECTRIC LIMITED</p>	<p>MIRZA NADEEM Commercial</p>	<p>MIRHAMMAD FAZAN PASHA General Manager Business Process K-ELECTRIC LIMITED</p>

Payment Particulars					
Payment Doc. No	Date	Bank	Cheque No.	Cheque Date	Amount (In Full Rupees)

* as per signature mandate