



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

Ref No. KE/BPR/NEPRA/2022/254
June 08, 2022

Subject: Quarterly variation for the quarter January 2022 to March 2022 under Multi-Year Tariff 2017 – 2023 (Revised)

Dear Sir,

This is with reference to our letter dated April 21, 2022 regarding the Quarterly Variation for the quarter January 2022 to March 2022 (Enclosed).

In this regard, please find attached the revised calculation of quarterly variation for the quarter January 2022 to March 2022 after adjusting NEPRA's FCA Decision for February 2022 and March 2022 dated May 06, 2022 and May 27, 2022 respectively, for Authority's approval.

Quarter	Quarterly Variation per unit (PKR / kWh)
January to March, 2022 (Revised)	3.892
January to March, 2022 (Original)	4.521

We would like to request NEPRA for the expeditious processing of Quarterly Tariff Variations
Sincerely,

Ayaz Jaffar Ahmed
Director – Finance

Enclosed:

- Revised Calculation sheet of quarterly variation – March 2022
- KE's Letter Dated April 21, 2022

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 2022

		Mar-22
Required adjustment in Tariff		
Quarterly Revision to reset price levels	Rs/kWh	5.477
Unrecovered Cost for current quarter	Rs/kWh	0.864
Reversal of unrecovered cost of previous quarter	Rs/kWh	(2.449)
Total Required adjustment in KE's Tariff	Rs/kWh	<u>3.892</u>
Total Required adjustment in KE's Tariff	Ps/kWh	<u>389.168</u>

Quarterly Revision to reset price levels

Units Sent Out	GWh	1,628.845
T&D Losses allowed	GWh	15.95%
Units billed	GWh	1,369.044
Cost of Fuel - KE - Note 1	Mill Rs	16,090.348

		Dec-21	Mar-22	Variation
Weighted Average Fuel cost per unit billed	Rs/Kwh	5.755	11.753	5.998

Cost of Power Purchases

		Mar-22
- Fuel Cost	Mill Rs	11,408.970
- O&M and Capacity Cost	Mill Rs	5,888.097
- Total Cost of Power Purchases	Mill Rs	<u>17,297.067</u>

Weighted Average Cost of Power Purchases (cost per unit billed)

		Dec-21	Mar-22	Variation
- Fuel Cost -	Rs/kWh	8.588	8.334	(0.255)
- O&M Cost and capacity cost	Rs/kWh	4.567	4.301	(0.266)
- Total Cost of Power Purchases	Rs/kWh	<u>13.155</u>	<u>12.634</u>	<u>(0.521)</u>

QUARTERLY INCREASE/DECREASE IN COST PER UNIT BILLED

- Cost of Fuel - KE	Rs/kWh	5.998
- Cost of Power Purchases - Total	Rs/kWh	(0.521)
- Total Cost Variation	Rs/kWh	<u>5.477</u>

Note 1: Installment of GIDC arrears amounting to PKR 2,425 million per month is being billed by SSGC as per Supreme court order. However, NEPRA in its FCA decision for the month of June 2021 has stated "considering the fact that K-Electric has obtained stay order from the Honorable SHC in the matter, decided not to allow any amount on account of GIDC till final decision by the Honorable SHC in the matter". Accordingly, GIDC will be claimed as per the final decision of Honorable SHC in the matter.

Note 2: Please note that the latest SoT determined by NEPRA, applicable for the quarter January to March 2021, 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.

Note 3: FCA Details from Dec 2021 to March 2022 are inline with NEPRA's Decisions

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 2022				
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ADJUSTMENT IN TARIFF DUE TO UNRECOVERED COST	Dec-21	Jan-22	Feb-22	Mar-22	QTR
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Reference						
Units Sent Out	GWh		1,093.995	1,144.222	1,628.845	
T&D Losses allowed			15.95%	15.95%	15.95%	
Units billed	GWh		919.503	961.718	1,369.044	3,250.266
a. O&M and Capacity cost of Power purchases						
O&M and Capacity cost of Power purchases	Mill Rs		5,065.526	5,531.790	5,888.097	
O&M and Capacity cost of power purchases (per unit billed)	Rs/kWh	4.567	5.509	5.752	4.301	
Increase or decrease in O&M and Capacity cost (over Reference)	Rs/kWh		0.942	1.185	(0.266)	
O&M and Capacity Cost of Power Purchases - Monthly variations Amount	Mill Rs		866.219	1,139.688	(364.234)	1,641.673
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		0.3119	0.6138	5.0345	
Cost of Fuel - Power Purchases	Rs/kWh		2.9776	0.7665	(0.2141)	
Adjustment			(0.0115)	0.0059	0.0065	
Total	Rs/kWh		3.2780	1.3862	4.8269	
ii Monthly variation in Fuel Cost (FCA) - Amount						
Cost of Fuel - KE	Mill Rs		341.217	702.323	8,200.421	9,243.961
Cost of Fuel - Power Purchases	Mill Rs		3,257.480	877.046	(348.736)	3,785.790
Adjustment			(12.581)	6.751	10.587	4.757
Total	Mill Rs		3,586.116	1,586.120	7,862.273	13,034.509
iii Unrecovered Cost of FCA due to non adjustment of T&D losses						
Cost of Fuel - KE	Mill Rs		54.424	112.021	1,307.967	1,474.412
Cost of Fuel - Power Purchases	Mill Rs		519.568	139.889	(55.623)	603.834
Adjustment			(2.007)	1.077	1.689	0.759
Total	Mill Rs		571.986	252.986	1,254.033	2,079.004
Summary of Unrecovered cost for the quarter						
a. O&M and Capacity cost of Power purchases	Mill Rs					1,641.673
b. Unrecovered Cost of FCA due to non adjustment of T&D losses	Mill Rs					2,079.004
c. Other Adjustments						
Other adjustments	Mill Rs					714.680
Total Unrecovered cost for the quarter	Mill Rs					4,435.358
Estimated Units to be sold in next quarter at allowed T&D losses - Note 1	GWh					5,131
Unrecovered Cost per unit for current quarter	Rs/kWh					0.864

Note 1: To be actualized

DESCRIPTION		Dec-21	Jan-22	Feb-22	Mar-22
		Current	Current	Current	Current
1	<u>O&M COST</u>				
a	KANUPP Mill Rs.	-	-	-	-
b	TAPAL Mill Rs.	26.655	40.546	44.951	58.610
c	GUL AHMED Mill Rs.	18.607	40.471	44.880	57.140
d	CPPA-G Mill Rs.	205.188	299.070	247.830	270.243
e	ANOUD POWER Mill Rs.	-	-	-	-
f	INT IND (IIL) Mill Rs.	1.326	1.446	0.538	4.775
g	FFBL Mill Rs.	20.405	1.952	6.234	6.148
h	SNPC - Note 1 Mill Rs.	55.687	45.713	43.044	62.674
i	OURSUN Mill Rs.	16.862	18.954	20.640	24.179
j	CPPA-G - 150 MW Mill Rs.	-	-	-	-
k	Gharo Solar Mill Rs.	4.130	9.869	11.402	14.542
l	LOTTE Mill Rs.	2.532	2.130	2.022	5.238
m	LUCKY Mill Rs.	0.121	0.160	0.156	0.554
	TOTAL Mill Rs.	351.514	460.309	421.696	504.104
2	<u>CAPACITY COST</u>				
a	KANUPP Mill Rs.	-	-	-	-
b	TAPAL Mill Rs.	59.120	91.224	101.134	131.866
c	GUL AHMED Mill Rs.	42.732	94.054	104.302	132.795
d	CPPA-G Mill Rs.	3,521.014	4,010.504	4,285.974	4,434.963
e	ANOUD POWER Mill Rs.	-	-	-	-
f	INT IND (IIL) Mill Rs.	-	-	-	-
g	FFBL Mill Rs.	214.445	20.283	185.893	183.311
h	SNPC - Note 1 Mill Rs.	167.084	191.239	212.966	235.764
i	OURSUN Mill Rs.	112.138	133.102	144.947	169.794
j	CPPA-G - 150 MW Mill Rs.	-	-	-	-
k	Gharo Solar Mill Rs.	27.915	64.810	74.878	95.500
m	LUCKY Mill Rs.	-	-	-	-
	TOTAL Mill Rs.	4,144.447	4,605.216	5,110.094	5,383.993
3	<u>TOTAL O&M & CAPACITY COST</u>				
a	KANUPP Mill Rs.	-	-	-	-
b	TAPAL Mill Rs.	85.775	131.770	146.084	190.477
c	GUL AHMED Mill Rs.	61.338	134.525	149.182	189.935
d	CPPA-G Mill Rs.	3,726.202	4,309.574	4,533.804	4,705.206
e	ANOUD POWER Mill Rs.	-	-	-	-
f	INT IND (IIL) Mill Rs.	1.326	1.446	0.538	4.775
g	FFBL Mill Rs.	234.850	22.235	192.128	189.459
h	SNPC - Note 1 Mill Rs.	222.771	236.952	256.009	298.438
i	OURSUN Mill Rs.	129.000	152.056	165.588	193.972
j	CPPA-G - 150 MW Mill Rs.	-	-	-	-
k	Gharo Solar Mill Rs.	32.045	74.679	86.280	110.042
l	LOTTE Mill Rs.	2.532	2.130	2.022	5.238
m	LUCKY Mill Rs.	0.121	0.160	0.156	0.554
	TOTAL Mill Rs.	4,495.961	5,065.526	5,531.790	5,888.097

Note 1: Pursuant to NEPRA's decision of SNPC dated November 05, 2020, charges for January 2022 to March 2022 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.

Details of Other Adjustments for the Quarter January 2022 to March 2022

S.No	Details / Invoice	Amount in Million
1	NTDC PMLTC Charges Pre CoD - March 2021 to August 2021	46
2	NTDC 650 Revision in Market Operation Fee from July 2020 to February 2022	5
3	NTDC 150 Revision in Market Operation Fee from July 2020 to September 2021	1
4	Differential amount of Lucky due to Variable Cost Component for Dec 2021	0
5	Lotte's RLNG Adjustment for January & February 2022	5
6	KGTPS - Heat Rate Impact from July 2016 to September 2021 as per NEPRA's decision dated Nov 05, 2021	527
7	KCCP - Heat Rate Impact from July 2016 to June 2020 as per NEPRA's decision dated Jan 22, 2022	146
8	SNPC Variable O&M Adjustment from Oct 2021 to Jan 2021	(14)

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

Ref No. KE/BPR/NEPRA/2022/175

April 21, 2022

Subject: Quarterly variation for the quarter January 2022 to March 2022 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 2022 to March 2022 along with relevant supports, for Authority's approval.

Quarter	Quarterly Variation per unit (PKR / kWh)
January to March, 2022	4.521

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 to March 2022

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 1, 2020 and accordingly the calculations are based on Heat rates determined therein.

With respect to Heat Rate of KGTPS and KCCP, NEPRA issued its determination on September 02, 2020 and January 18, 2021 against which KE filed review motion. NEPRA issued its decision on the review motion of KGTPS on November 05, 2021 and review motion of KCCP on January 27, 2022. Accordingly, KE has included the impact of prior period in the Quarter Variation of January 2022 to March 2022.

With respect to Heat Rate of SGTPS, NEPRA issued its determination on January 18, 2021 respectively, against which KE has filed review motion. 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 of BQPS I based on the test results.

Further, KE would humbly request NEPRA for expeditious processing of quarterly tariff variations for the period January 2021 to December 2021

Sincerely,

A handwritten signature in black ink, appearing to be 'Ayaz Jaffar Ahmed', written over a horizontal line.

Ayaz Jaffar Ahmed
Director – Finance

Enclosed:

- Calculation sheet of quarterly variation – March 2022