National Electric Power Regulaory Authority (NEPRA)

NOTIFICATION

Islamabad, October 2, 2009

S.R.O. 840(I)/2009 – In pursuance of sub-section (4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 and subsequent amendment made in that sub-section through Ordinance No. XVIII of 1997 dated 31-07-2009, National Electric Power Regulatory Authority is pleased to notify that the following amendment shall be made in S.R.O. No. 964(I)/2008 dated the 5th September, 2008, namely:-

In the aforesaid notification, in Schedule-I, for Appendix-I, the following shall be substituted namely:-

Hyderabad Electric Supply Company Limited
Adjustment for Power Purchase Price
For the Month of July 2009

$$\Delta PPP = \pm \frac{\left(PPP_{(Act)} - PPP_{(Ref)} \right)}{\left(1 - L \right)}$$

Where:

ΔPPP is the variation in Power Purchase Price including fuel price variation in terms of Rs./kWh purchased occurred in a month against the reference PPP.

$PPP_{(Act)}$ is the actual PPP (Rs. 5.3990/kWh purchased for July 2009) during the month for which the adjustment is required to be made.

$PPP_{(Ref)}$ is the reference power purchase price (PPP) of Rs. 5.4414/kWh.

L is the target losses which are 34% for FY 2008-09.

Replacing values in the formula we get,

ΔPPP = (5.3990-5.4414)/(1-34%)

ΔPPP = (-) Rs. 0.0424/kWh

According to the decision of the Authority, the impact of variation in the power purchase price shall not be passed on to the lifeline residential and agricultural consumers. The ratio of lifeline residential and agricultural consumers in HESCO's total sales is around 7.28%. The adjusted ΔPPP shall be calculated as under:

ΔPPP = (-) 0.0424/(1-7.28%)

ΔPPP = (-) Rs. 0.07/kWh

The impact of change in the power purchase price will be calculated according to the following formula:

PPP Adjustment = $\pm \Delta PPP \times U(C)$

Where:

$U(C)$ are units consumed by the consumer during the month for which the adjustment is required to be made.

Sd/-
(Arshad Mehmood)
Registrar