



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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Registrar

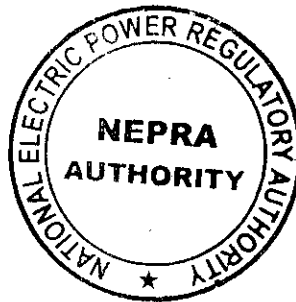
No. NEPRA/TRF-100/MFPA/2005-2007
August 26, 2010

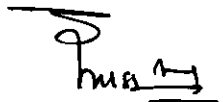
Subject: Decision of the Authority in the Matter of Fuel Charges Adjustment for the Month of July 2010 for XWDISCOs - Intimation of Decision of Tariff pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997)

In continuation to this office letter No. NEPRA/R/SMD-06/1866-67, dated 24.08.2010 and pursuant to the provisions of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (NEPRA Act) and as per mechanism for monthly fuel price adjustment prescribed by NEPRA in the 1st quarterly tariff determination for the XWDISCOs duly notified in the official Gazette, the Authority has to review the fuel charges on monthly basis in the approved tariff on account of any variation.

2. Please find enclosed decision of the Authority along with Annex-I & Annex-II (06 pages) in respect of Fuel Charges Adjustment for the month of July 2010 for XWDISCOs.
3. The decision is being intimated to the Federal Government for the purpose of notification of Fuel Charges Adjustment for XWDISCOs in the official Gazette pursuant to Section 31(4) of NEPRA Act and Rule 16(11) of the National Electric Power Regulatory Authority Tariff (Standards and Procedure) Rules, 1998.

Enclosure: As above.




(Syed Safer Hussain)

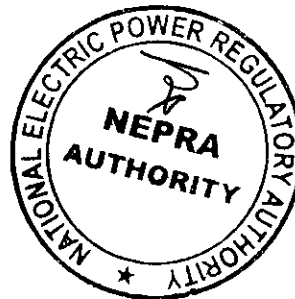
The Secretary
Cabinet Division
Government of Pakistan
Cabinet Secretariat
Islamabad

- CC: 1. Secretary, Ministry of Water & Power, Islamabad.
2. Secretary, Ministry of Finance, Islamabad



**DECISION OF THE AUTHORITY IN THE MATTER OF FUEL CHARGES ADJUSTMENT
FOR THE MONTH OF JULY 2010 FOR XWDISCOs**

1. Pursuant to the provisions of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997, (XL of 1997) and as per mechanism for monthly fuel price adjustment prescribed by NEPRA in the 1st quarterly tariff determination for the Ex-WAPDA Distribution Companies duly notified in the official Gazette, the Authority has to review the fuel charges on monthly basis in the approved tariff on account of any variation whatsoever.
2. In order to carry out the above-said adjustment pertaining to the tariff of XWDISCOs for the month of July 2010, necessary information as to the details of fuel charges was obtained from the Central Power Purchasing Agency (CPPA).
3. Notwithstanding the fact that the monthly adjustments on account of fuel charges variations are accounted for in accordance with the mechanism/formula prescribed by the Authority and notified in the official gazette by the Federal Government; yet the impact of such adjustments, if any, is passed on to the consumers of electricity, therefore, in order to meet with the ends of natural justice, the Authority decided to provide an opportunity of hearing to all concerned while reviewing the fuel charges.
4. A date of hearing for the aforesaid purpose was fixed as 24th August 2010 in the NEPRA main office; notice thereof was published in two leading national newspapers on 18th August 2010 inviting comments/objections from the concerned persons.
5. On the date fixed for hearing, representatives from Central Power Purchasing Agency (CPPA), Wapda Private Power Organization (WPPO), National Planning & Control Cell (NPCC), Ministry of Water & Power (GoP) and Media were present, however, no representative from Ministry of Finance attended the public hearing despite the service of notice. Further neither any representation from the consumers of electricity nor any objections/comments were filed in this regard.
6. The information provided by CPPA has been examined and it is observed that the actual pool fuel charges of Rs. 4.61/kWh for the month of July 2010 increased by Rs. 0.52/kWh (Annex-I&II) as compared to the reference fuel charges, i.e., Rs. 4.09/KWh as indicated in the Annexure-IV of the Authority's determination pertaining to the 1st Quarter of FY-2009-10.



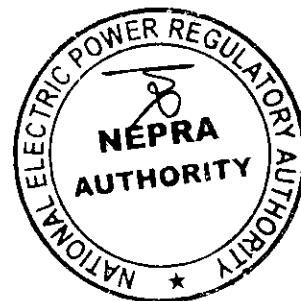
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7. The Authority noted that the supplemental charges under PPAs included an amount of Rs. 1,799 million on account of markup on delayed payment to IPPs. The Authority in its earlier decisions disallowed this cost for the reason that the consumers who pay their bills in time cannot be burdened with the markup on delayed payment to IPPs. Accordingly, the Authority in line with its previous decisions has decided to disallow the markup cost of Rs. 1,799 million to be passed on to the consumers. The representative of WPPO acknowledged that an amount of Rs. 144 million on account of GST and Capacity charge for previous months for Chashma Nuclear Power Plant was mistakenly debited to the energy charge component in July 2010 which needs to be rectified. In this regard the combined impact of debit mistake in energy charge and markup cost of Rs. 0.22/kWh is disallowed accordingly.
8. The Authority further noted that for the month of July, 2010, NTDC claimed 3.2% transmission losses against the determined losses of 2.5% as per the Authority's determination dated 6th January 2006 (Case No. NEPRA/TRF-45/NTDC-2005). The Authority considers that the claimed transmission losses by NTDC are not consistent with the Authority's determination hence cannot be passed on to the consumers as such. The Authority has, therefore, decided to restrict the NTDC losses to 2.5% in accordance with its determination; accordingly the impact of Rs. 0.04/kWh on this account is also disallowed to be passed on to the consumers.
9. The Authority has, therefore, reviewed and assessed Rs. 0.26/kWh towards fuel charges adjustment for the month of July 2010 as per the following:

Actual Fuel Charges Component for July 2010	Rs. 4.35/kWh
Corresponding Reference Fuel Charges Component (Determined)	Rs. 4.09/kWh
Fuel Charges Variation for the month of July 2010	Rs. 0.26/kWh

10. The reviewed fuel adjustment charges of Rs.0.26/kWh for the month of July 2010 is lower by Rs. 0.38/kWh than the adjustment of Rs. 0.64/kWh for the month of June 2010; therefore, effectively there will be a decrease of Rs. 0.38/kWh in the bill of the consumers on account of fuel adjustment charges as compared to the month of June 2010.

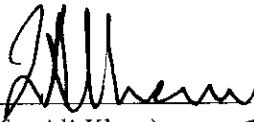



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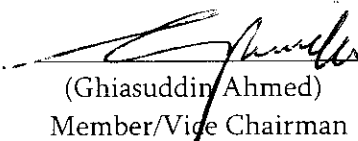


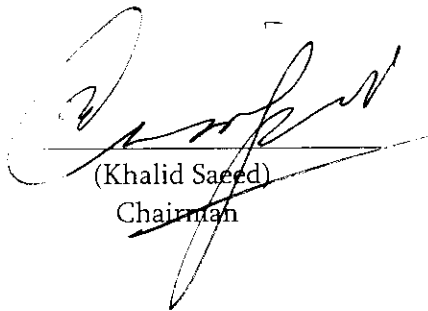
11. In the light of the observations made in paragraphs 7 and 8 above, the Authority hereby directs CPPA to revise accordingly the fuel charges component invoiced to the distribution companies.
12. The above adjustment as referred to in Para 9 above ;
 - i) shall be applicable to all the consumer categories except lifeline consumers of all the DISCOs;
 - ii) shall be shown separately in the consumers' bill on the basis of units billed to the consumer in the month of July 2010.

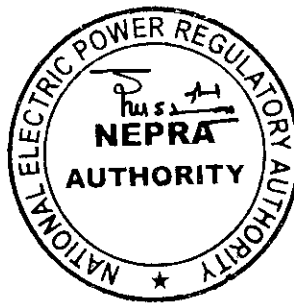
AUTHORITY


(Zafar Ali Khan)
Member


(Maqbool Ahmad Khawaja)
Member


(Ghiasuddin Ahmed)
Member/Vice Chairman


(Khalid Saeed)
Chairman

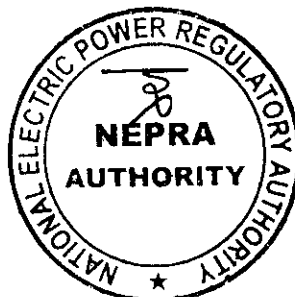


CENTRAL POWER PURCHASING AGENCY (CPPA)
Energy Procurement Report (Provisional)

July, 2010

Annex-I

S.No.	Power Producer	Fuel	Dep. Capacity MW	Energy KWh	Total Energy Cost (Rs.)	
1	<i>Hydel</i>					
	i. WAPDA	Hydel	6444	3,566,254,256	1,100,902,689	
	ii. Jagran	Hydel	30	17,148,700	34,263,103	
	iii. Malakund-III SHYDO	Hydel	81.46	30,675,000	185,146,225	
	Hydel Total:		6555.46	3,614,077,956	1,320,312,016	
2	Ex-WAPDA GENCOs					
	i. GENCO-I					
	Jamshoro Block 1	RFO		102,755,000	1,095,765,576.5	
	Jamshoro Block 2	RFO		116,283,936	1,410,415,367	
	Unit 2-4	Gas		139,436,064	687,991,486	
	Kotry 3-7	Gas		46,998,920	195,187,237	
	Kotry 1-2	Gas	798.5	644,080	5,341,613	
	Prev. Adjustment			-	0	
	Jamshoro Total		798.5	406,118,000	3,394,701,280	
	ii. GENCO-II					
	Guddu CC 11-13	Gas	390	147,085,853	288,877,485	
	Central Block 2	Gas			200,888,989	
	Guddu CC 5-10	Gas	530	191,656,549	707,595,979	
	Central Block 3	RFO		1,962,945	25,110,581	
	Guddu Steam 3-4	Gas	340	89,412,060	394,897,304	
	Guddu Steam 1-2	Gas	140	46,576,393	220,166,609	
	Prev. Adjustment			-	0	
	Central Total		1400	476,693,800	1,837,536,947	
	iii. GENCO-III					
	Northern Block 1	RFO		178,691,861	1,989,367,853	
	MG Unit 1-3	Gas		162,372	693,831	
	Northern Block 2	RFO		37,504,109	412,549,170	
	Northern Block 3	RFO		87,601,180	1,094,676,991	
	MG Unit 5-6	Gas		424,872	2,044,739	
	Northern Block 4	F.O.		-	0	
	GTPS FSD 5-9	GAS		59,870,567	204,104,750	
		HSD	1,568	408,119	6,623,690	
	Northern Block 5	RFO		11,087,000	161,257,800	
	SPS FSD 1-2	GAS		-	0	
	Northern Block 6	RFO		-	0	
	GTPS FSD 1-4	GAS		14,152,314	85,988,045	
	Northern Block 7	RFO		4,259,600	61,450,986	
	NGPS Multan 1-4	GAS		-	0	
	Northern Block 8	F.O.		-	0	
	Gulf Rental	RFO		31,711,083	321,917,842	
	Rental Summandari	Gas	138	-	0	
	Rental Bhiki	Gas	125	-	0	
	Adjustment			-	-	
	Northern Total:		1,831	426,133,182	4,341,654,100	
	iv. GENCO-IV					
	Lakhra Power	Coal	31.2	17,272,000	46,591,220	
	GENCOs Total:-		4,061	1,326,216,982	9,620,483,546	
3	IPPs					
	1	Kot Addu Block 1	RFO		219,985,000	1,855,826,325
			Gas		1,445,000	4,096,229
			HSD		-	0
	Kot Addu Block 2	RFO		387,897,000	4,162,605,504	
		Gas		86,523,600	270,196,893	
	Kot Addu Block 3	Gas		92,350,400	316,978,669	
HSD			-	0		
KAPCO Total		1336	788,201,000	6,609,703,620		



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**CENTRAL POWER PURCHASING AGENCY (CPPA)
Energy Procurement Report (Provisional)**

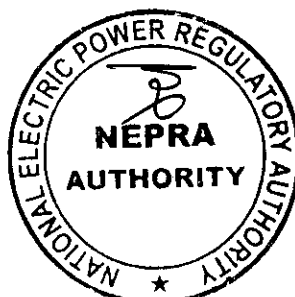
July, 2010

Annex-I

S.No.	Power Producer	Fuel	Dep. Capacity MW	Energy KWh	Total Energy Cost (Rs.)
2	Hub Power	RFO	1,200	611,416,400	6,909,225,650
3	Kohinoor Energy	RFO	124	75,485,000	713,339,357
4	AES Lalpir	RFO	350	109,268,000	1,131,516,775
5	AES Pakgen	RFO	350	202,609,000	2,038,963,724
6	Southern Power	RFO	119	56,310,530	541,062,249
7	Habibullah	Gas	129	79,923,845	242,800,649
8	Fauji Kabirwala	Gas	151	95,331,000	337,222,259
9	Rousch	Gas	395	269,272,638	782,730,612
10	Saba Power	RFO	126	38,992,299	391,523,706
11	Japan Power	RFO	121	41,337,483	394,783,577
12	Uch	Gas	551	362,300,000	906,609,094
13	Altern	Gas	26	20,160,200	72,621,602
14	Liberty	Gas	213	129,902,100	999,530,201
15	Chashma Nuclear	Nucl.	300	211,750,000	781,229,999
16	Tavanir Iran	Import	32	23,844,129	102,906,983
Sub-Total:			5,524	3,116,103,624	22,955,770,057
1	Attock-Gen	RFO	156.18	100,529,080	982,584,865
2	Atlas-Honda	RFO	213.60	130,988,949	1,366,469,408
3	Nishat Power	RFO	195.20	130,340,362	1,160,895,182
4	Foundation Power	Gas	177.00	51,079,960	131,336,793
5	Orient	Gas	209.00	139,347,000	368,981,327
6	Nishat Chunian	RFO	195.00	113,287,428	980,603,049
7	Gulf Rental	RFO	62.00	-	-
8	Saif Power	Gas	209.00	101,728,958	279,104,298
9	Engro Energy	Gas	217.00	112,921,512	330,175,157
10	Saphire Power	Gas	209.00	254,260	8,578,955
Sub-Total:			1,843	880,477,509	5,608,729,034
IPPs Total:-			7,367	3,996,581,133	28,564,499,091
4	Others				
i.	TPS-Quetta	Gas	25	16,162,000	113,134,000
ii.	TPS-Shahdara	Gas		(69,590)	(417,987)
iii.	SPPs	Mixed	151	69,567,132	730,454,886
Others Total			176	85,659,542	843,170,899
G-Total:			17,927	9,022,535,613	40,348,465,553
Summary					
	Hydel			3,614,077,956	1,320,312,016
	Coal			17,272,000	46,591,220
	HSD			408,119	6,623,690
	F.O.			2,790,303,245	29,201,911,536
	Gas			2,295,313,032	8,158,435,222
	Nuclear			211,750,000	781,229,999
	Import from Iran			23,844,129	102,906,983
	Mixed			69,567,132	730,454,886
	Prev. Adjustment			-	-
Grand Total				9,022,535,613	40,348,465,553

Energy Sale Price

Energy Cost (Rs.)	40,348,465,553
EPP charged to IPPs (Rs.)	58,531,135
EPP (Chargable) (Rs.)	40,289,934,418
Energy Sold (KWh)	8,734,698,082
Avg. Rate (Rs./KWh)	4.612630



Source Wise Generation

Sources	Reference		Actual	
	July 2010			
	GWh	%	GWh	%
Hydel	3,264	39.2%	3,614	40.1%
Coal	10	0.1%	17	0.2%
HSD	97	1.2%	0	0.0%
RFO	2,750	33.0%	2,790	30.9%
Gas	1,897	22.8%	2,295	25.4%
Nuclear	210	2.5%	212	2.3%
Import Iran	24	0.3%	24	0.3%
Mixed	74	0.9%	70	0.8%
Prev Adjust	-	0.0%		0.0%
Total	8,327	100.0%	9,023	100.0%
Sale to IPPs	(0)	0.0%	(3)	0.0%
Transmission Losses	(307)	-3.7%	(285)	-3.2%
Net Delivered	8,019	96.3%	8,735	96.8%

Source Wise Fuel Cost/Energy Purchase Price

Sources	Reference		Actual	
	July 2010			
	Mlns. Rs.	Rs./kWh	Mlns. Rs.	Rs./kWh
Hydel	1,219	0.37	1,320	0.37
Coal	28	2.70	47	2.70
HSD	1,169	12.06	7	16.23
RFO	23,312	8.48	27,372	9.81
Gas	6,084	3.21	8,078	3.52
Nuclear	107	0.51	108	0.51
Import Iran	99	4.05	102	4.29
Mixed	740	10.00	730	10.50
Prev Adjust	28	0.00	-	-
Total	32,786	3.94	37,764	4.19
Supplemental Charges	-	-	2,584	0.29
Sale to IPPs	(12)	(24.80)	(59)	(22.22)
Grand Total	32,774	3.94	40,290	4.47
Transmission Losses	-	0.15	-	0.15
Net Total	32,774	4.09	40,290	4.61



4.50