



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No. NEPRA/TRF-100/MFPA/4083-4085

November 26, 2010

Subject: Decision of the Authority in the matter of Fuel Charges Adjustment for the Month of October 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 of 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 of FY 2009-10 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 October 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 NEPRA (Tariff Standards and Procedure) Rules, 1998.

Encl: As above

Secretary
Ministry of Water & Power
'A' Block, Pak Secretariat
Islamabad

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.


(Syed Safer Hussain)





**DECISION OF THE AUTHORITY IN THE MATTER OF FUEL CHARGES ADJUSTMENT
FOR THE MONTH OF OCTOBER 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), the Authority is to review and revise the approved tariff on account of any variations in the fuel charges on monthly basis.
2. In order to review and revise the approved tariff of the XWDISCOs due to variations in the fuel charges for the month of October, 2010, necessary information as to the details of fuel charges was obtained from Central Power Purchasing Agency (CPPA).
3. Notwithstanding the fact that the monthly adjustments on account of fuel charges variations are made in pursuance to the provisions of section 31(4) of the Act XL of 1997, yet the impact of such adjustments, if any, is passed on to the consumers of electricity, therefore, in order to meet the ends of natural justice, the Authority decided to provide an opportunity of hearing to all concerned while reviewing and revising the approved tariff on account of the variations in the fuel charges.
4. A date of hearing for the aforesaid purpose was fixed as 25th November 2010 in NEPRA main office; notice thereof was published in two leading national newspapers on 17th November 2010 inviting comments/objections from the concerned persons. The salient features and details of the proposed adjustment were also mentioned in the notice.
5. On the date fixed for hearing, representatives from Central Power Purchasing Agency (CPPA), Wapda Private Power Organization (WPPO), National Planning & Control Cell (NPCC) and media were present, however, no representative from Ministry of Water & Power and Ministry of Finance attended the public hearing despite the service of notice. No written objection or comments were received regarding the proposed adjustments from any person. Further there was also no representation from the general public/consumers of electricity.



6. From the perusal of the information so provided by CPPA, it has been observed that the actual pool fuel charges of Rs. 4.7868/kWh for the month of October 2010 decreased by Rs. 0.1474/kWh (Annex-I&II) as compared to the reference fuel charges, i.e. Rs. 4.9342/KWh as indicated in the Annexure-IV of the Authority's determination pertaining to the 1st Quarter of FY 2009-10.
7. The Authority noted that the supplemental charges under PPAs included an amount of Rs. 1,265.34 million on account of markup on delayed payments 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. 1,265.34 million to be passed on to the consumers. In this regard the impact of markup cost of Rs. 0.1643/kWh is disallowed accordingly.
8. The Authority further noted that during October 2010 NTDC claimed 2.66% 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. 0.0120/kWh on this account is also being disallowed to be passed on to the consumers.
9. Accordingly the Authority has reviewed and assessed a decrease of Rs. 0.32/kWh in the applicable tariff for EX-WAPDA DISCOS on account of variations in the fuel charges for the month of October 2010 as per the following:

Actual Fuel Charges Component for October 2010	Rs. 4.61/kWh
Corresponding Reference Fuel Charges Component (Determined)	Rs. 4.93/kWh
Fuel Charges Variation for the month of October 2010	(-) Rs. 0.32/kWh




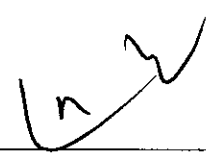
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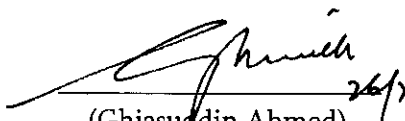


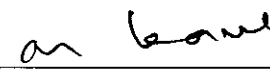
10. In the light of the observations made in paragraph 7 & 8 above, the Authority hereby directs CPPA to revise accordingly the fuel charges component invoiced to the distribution companies.
11. The above adjustment as referred to in Para 9 above ;
- i) shall be applicable to all the consumer categories 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 October 2010.

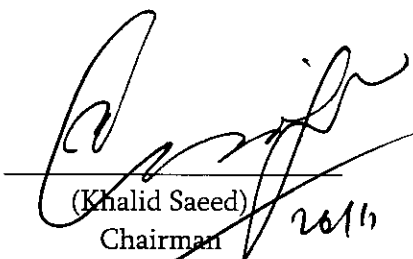
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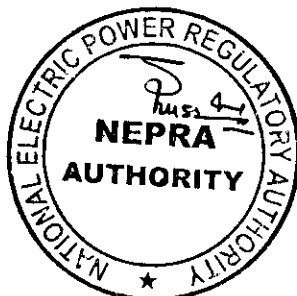

(Zafar Ali Khan)
Member


(Maqbool Ahmad Khawaja)
Member


(Ghiasuddin Ahmed)
Member


(Shaukat Ali Kundi)
Member/Vice Chairman

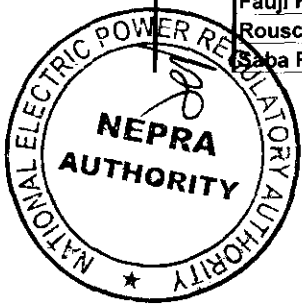

(Khalid Saeed)
Chairman



CENTRAL POWER PURCHASING AGENCY (CPPA)
Energy Procurement Report (Provisional)
Octoberber, 2010

Annex-I

S.No.	Power Producer	Fuel	Dep. Capacity MW	Energy KWh	Total Energy Cost (Rs.)
1	WAPDA	Hydel	6444	2,865,096,223	884,455,204
	Jagran	Hydel	30	(1,396,620)	-2,790,447
	Malakund-III SHYDO	Hydel	81.46	21,485,800	140,270,934
	Hydel Total:		6555.46	2,885,185,403	1,021,935,691
2	GENCO-I				
	Jamshoro Block 1	RFO		66,670,000	727,664,056
	Jamshoro Block 2	RFO		105,998,644	1,326,742,167
	Unit 2-4	Gas		56,786,356	280,189,557
	Kotry 3-7	Gas		37,564,470	159,209,251
	Kotry 1-2	Gas	798.5	53,530	443,946
	Jamshoro Total		798.5	267,073,000	2,494,248,977
	GENCO-II				
	Central Block 1	RFO			
	Guddu CC 11-13	Gas	390	144,847,074	482,311,786
	Guddu CC 5-10	Gas	530	216,661,502	799,914,265
	Central Block 3	RFO		13,262,578	169,658,877
	Guddu Steam 3-4	Gas	340	73,790,902	325,904,898
	Guddu Steam 1-2	Gas	140	39,893,044	188,574,419
	Central Total		1400	488,455,100	1,966,364,245
	GENCO-III				
	Northern Block 1	RFO		244,172,844	2,770,296,084
	MG Unit 1-3	Gas		783,199	3,346,688
	Northern Block 2	RFO		100,243,142	1,129,713,089
	MG Unit 4	GAS		67,139	284,360
	Northern Block 3	RFO		77,212,565	986,452,515
	MG Unit 5-6	Gas	1,568	(963,905)	-4,638,890
	GTPS FSD 5-9	GAS		8,946	30,498
		HSD		8,915,560	144,779,101
	Northern Block 5	RFO		17,444,000	260,969,084
	GTPS FSD 1-4	GAS		(30,506)	-185,352
	Northern Block 7	RFO		13,465,200	202,976,631
Shahdra	Gas		(68,640)	-412,281	
Gulf Rental	RFO		36,323,730	370,023,641	
Northern Total:		1,831	497,573,274	5,863,635,169	
GENCO-IV					
Lakhra Power	Coal	31.2	-	0	
GENCOs Total:-		4,061	1,253,101,374	10,324,248,391	
3	Kot Addu Block 1	RFO		156,857,700	2,280,545,663
		Gas		-	0
		HSD		-	0
	Kot Addu Block 2	RFO		266,276,300	2,578,438,540
		Gas		-	0
		HSD		-	0
	Kot Addu Block 3	Gas		-	0
		HSD		-	0
	KAPCO Total		1336	423,134,000	4,858,984,203
	Hub Power	RFO	1,200	605,359,700	6,851,370,239
	Kohinoor Energy	RFO	124	75,622,000	720,461,799
	AES Lalpir	RFO	350	0	0
	AES Pakgen	RFO	350	0	0
	Southern Power	RFO	119	46,153,964	456,919,107
	Habibullah	Gas	129	63,261,709	197,946,257
	Fauji Kabirwala	Gas	151	64,252,000	216,906,412
	Rousch	Gas	395	291,366,241	952,221,935
Saba Power	RFO	126	0	0	



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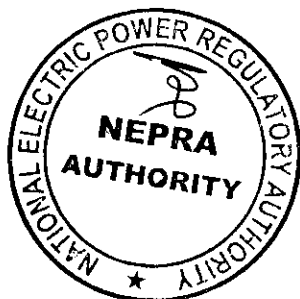
S.No.	Power Producer	Fuel	Dep. Capacity MW	Energy KWh	Total Energy Cost (Rs.)
	Japan Power	RFO	121	37,187,894	368,280,130
	Uch	Gas	551	385,970,000	986,905,195
	Altern	Gas	26	21,652,500	81,882,699
	Liberty	Gas	213	145,829,000	1,062,717,201
	Chashma Nuclear	Nucl.	300	215,380,000	241,031,758
	Tavanir Iran	Import	32	23,795,296	100,733,888
	Sub-Total:		5,524	2,398,964,304	17,096,360,823
	Attock-Gen	RFO	156.18	102,475,530	1,065,733,033
	Atlas-Honda	RFO	213.60	125,087,472	1,193,288,147
	Nishat Power	RFO	195.20	133,779,486	1,290,797,549
	Foundation Power	Gas	177.00	8,298,320	21,336,640
	Orient	Gas	209.00	92,652,357	245,139,989
	Nishat Chunian	RFO	195.20	131,455,314	1,198,361,406
	Saif Power	Gas	209.00	151,982,748	416,725,608
	Engro Energy	Gas	217.00	152,783,284	450,075,728
	Saphire Power	Gas	209.00	143,405,066	386,694,431
	Hubco Narowal	RFO	213.60	-	-
	Liberty Power	RFO	195.00	61,733,657	566,788,090
	Halmore	Gas	209.00	606,758	1,820,274
	Sub-Total:			1,104,259,992	6,836,760,895
	IPPs Total:-		7,008	3,503,224,296	23,933,121,718
4	TPS-Quetta	Gas	25	10,521,000	73,647,000
	TPS-Shahdara	Gas		-	-
	SPPs	Mixed	151	49,367,666	567,728,159
	Others Total		176	59,888,666	641,375,159
	G-Total:		17,568	7,701,399,739	35,920,680,959

Summary

1	Hydel		2,885	2,885,185,403	1,021,935,691
2	Coal		-	-	-
3	HSD		9	8,915,560	144,779,101
4	F.O.		2,417	2,416,781,720	26,515,479,846
5	Gas		2,102	2,101,974,094	7,328,992,516
6	Nuclear		215	215,380,000	241,031,758
7	Import from Iran		24	23,795,296	100,733,888
8	Mixed		49	49,367,666	567,728,159
	Grand Total			7,701,399,739	35,920,680,959

Energy Sale Price

Energy Cost (Rs.)	35,920,680,959
EPP charged to IPPs (Rs.)	52,890,753
EPP (Chargable) (Rs.)	35,867,790,206
Energy Sold (KWh)	7,493,025,056
Avg. Rate (Rs./KWh)	4.786824



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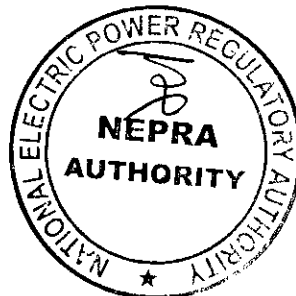
Annex-II

Source Wise Generation

Sources	Reference		Actual	
	October 2010			
	GWh	%	GWh	%
Hydel	2,048	31.6%	2,885	37.5%
Coal	14	0.2%	-	0.0%
HSD	68	1.1%	9	0.1%
RFO	2,355	36.3%	2,417	31.4%
Gas	1,933	29.8%	2,102	27.3%
Nuclear	-	0.0%	215	2.8%
Import Iran	20	0.3%	24	0.3%
Mixed	49	0.8%	49	0.6%
Prev Adjust		0.0%		0.0%
Total	6,488	100.0%	7,701	100.0%
Sale to IPPs	-	0.0%	(4)	0.0%
Transmission Losses	(162)	-2.5%	(205)	-2.7%
Net Delivered	6,326	97.5%	7,493	97.3%

Source Wise Fuel Cost/Energy Purchase Price

Sources	Reference		Actual	
	October 2010			
	Mlns. Rs.	Rs./kWh	Mlns. Rs.	Rs./kWh
Hydel	733	0.36	1,022	0.35
Coal	21	1.42	-	-
HSD	764	11.19	145	16.24
RFO	22,430	9.52	24,673	10.21
Gas	6,875	3.56	7,150	3.40
Nuclear	-		241	1.12
Import Iran	82	4.05	101	4.26
Mixed	310	6.31	568	11.50
Prev Adjust	-	-	-	-
Total	31,214	4.81	33,900	4.40
Supplemental Charges		-	2,020	0.26
Sale to IPPs		-	(53)	(14.17)
Grand Total	31,214	4.81	35,868	4.66
Transmission Losses	-	0.12	-	0.13
Net Total	31,214	4.93	35,868	4.79



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