



# National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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## Registrar

No. NEPRA/R/TRF-100/MFPA / 4068-82

May 28, 2010

1. Chief Executive Officer, FESCO.
2. Chief Executive Officer, GEPCO.
3. Chief Executive Officer, HESCO.
4. Chief Executive Officer, IESCO.
5. Chief Executive Officer, LESCO.
6. Chief Executive Officer, MEPCO.
7. Chief Executive Officer, PESCO.
8. Chief Executive Officer, QESCO.

Subject: **Decision of the Authority in the matter of Fuel Price Adjustment for the Month of April 2010 for XWDISCOs and Notification of the Decision (S.R.O. 356(I)/2010 dated 28.05.2010)**

Enclosed please find a copy of decision of the Authority in respect of fuel price adjustment for the month of April 2010 in respect of Ex-WAPDA Distribution Companies, along with its Notification (S.R.O.356(I)/2010 dated 28.05.2010). This is for information and further necessary action accordingly.

Enclosure: As above.

( Syed Safer Hussain )

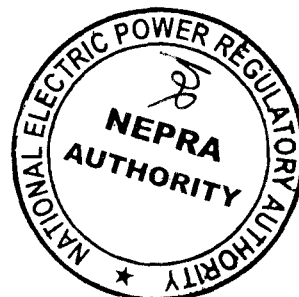
CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Water & Power, 'A' Block, Pak Secretariat, Islamabad.
3. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
4. Managing Director, PEPCO, WAPDA House, Lahore.
5. Member (Power), WAPDA, WAPDA House, Lahore.
6. Chief Operating Officer, CPPA, WAPDA House, Lahore.
7. All Pakistan Textile Mills Association (APTMA) through Rashid Law Associates Attorneys & Corporate Consultants, 5<sup>th</sup> Floor, Ajmal House, 27-Egerton Road, Lahore



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

1. Pursuant to the amendment made in Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997, NEPRA is required 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 adjustments pertaining to the tariff of XWDISCOs for the month of April, 2010, necessary information as to the details of payments on account 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 27<sup>th</sup> of May, 2010 in the NEPRA main office; notice thereof was published in two leading national newspapers on 21<sup>st</sup> May 2010, inviting written/oral objections from the affected/interested persons/parties.
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 Ministry of Water & Power (GoP) were present, however, no representative from Ministry of Finance attended the public hearing despite the service of notice. No objections/comments were filed by any person
6. The information provided by CPPA has been examined and it is observed that for the month of April 2010 the pool fuel charges increased by Rs. 1.04/kWh (Annex-I&II). The main attributors to the increase in fuel charges component are increase in furnace oil and diesel prices, supplemental charges under PPA and increased transmission losses. The impact of increase in furnace oil prices was Rs. 0.46/kWh out of the total increase of Rs. 1.04/kWh. HSD, supplemental charges and NTDC losses contributed Rs.



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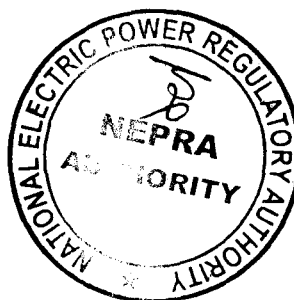


0.19/kWh, Rs. 0.20/kWh and Rs. 0.12/kWh respectively in the total increase of Rs. 1.04/kWh.

7. The Authority noted that the supplemental charges under PPAs included an amount of Rs. 1.16 billion on account of markup on delayed payment to IPPs. The Authority in its earlier decisions disallowed this cost and in its opinion 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 in total the markup cost of Rs. 1.16 billion to be passed on to the consumers. In this regard the impact of markup cost of Rs. 0.18/kWh is disallowed.
8. The Authority further noted that during April 2010 NTDC claimed 3.8% transmission losses against the determined losses of 2.5% as per the Authority's determination dated 6<sup>th</sup> 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.0.09/kWh on this account is also disallowed to be passed on to the consumers.
9. The Authority has, therefore, assessed Rs. 0.77/kWh fuel charges adjustment for the month of April 2010 as per the following:

Actual Fuel Charges Component for April 2010	Rs. 6.42/kWh
Corresponding Reference Fuel Charges Component (Determined) for the month of April 2010	Rs. 5.65/kWh
<b>Fuel Charges Variation for the month of April 2010</b>	<b>Rs. 0.77/kWh</b>

10. The assessed fuel adjustment charges of Rs.0.77/kWh for the month of April 2010 is higher by Rs. 0.20/kWh than the adjustment of Rs. 0.57/kWh for the month of March 2010; therefore, effectively there will be an increase of Rs. 0.20/kWh in the bill of the consumers on account of fuel adjustment charges as compared to the month of March 2010.

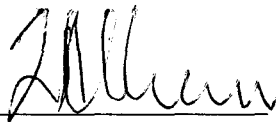


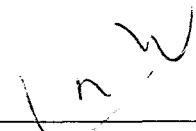
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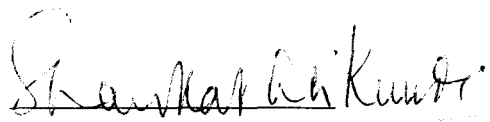


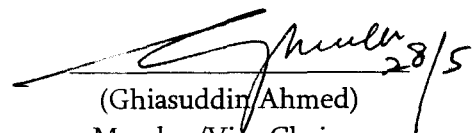
11. In light of the assessment made in paragraphs 7 and 8 above, the Authority directs CPPA to revise accordingly the fuel charges component invoiced to the distribution companies.
12. The above adjustment as referred to in Para 9 above ;
  - i) shall be applicable to all the consumer categories except 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 April 2010.

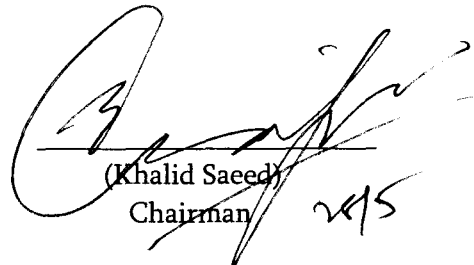
AUTHORITY

  
(Zafar Ali Khan)  
Member  
28/5/10

  
(Maqbool Ahmad Khawaja)  
Member

  
(Shaukat Ali Kundi)  
Member  
28.05.2010

  
(Ghiasuddin/Ahmed)  
Member/Vice Chairman  
28/5

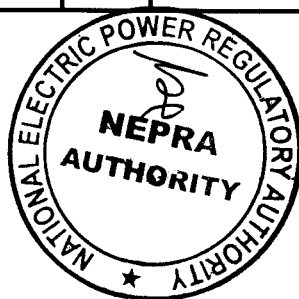
  
(Khalid Saeed)  
Chairman  
28/5



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

April 2010

S.No.	Power Producer	Fuel	Energy KWh	Total Energy Cost (Rs.)	
1	<i>Hydel</i>				
	i. WAPDA	Hydel	1,429,954,258	441,426,879	
	ii. Jagran	Hydel	13,512,360	26,997,695	
	iii. Malakund-III SHYDO	Hydel	52,300,500	184,841,537	
	<b>Hydel Total:</b>		<b>1,495,767,118</b>	<b>653,266,112</b>	
2	<b>Ex-WAPDA GENCOs</b>				
	<b>i. GENCO-I</b>				
	Jamshoro Block 1	RFO	108,225,000	1,230,117,843.0	
	Jamshoro Block 2	RFO	111,664,494	1,461,326,108	
	Unit 2-4	Gas	165,690,506	816,655,365	
	Kotry 3-7	Gas	67,245,440	279,543,512	
	Kotry 1-2	Gas	3,907,560	32,386,248	
	Prev. Adjustment		-	-21,338,925	
		<b>Jamshoro Total</b>		<b>456,733,000</b>	<b>3,798,690,151</b>
	<b>ii. GENCO-II</b>				
	Guddu CC 11-13	Gas	103,337,003	344,091,553	
	Central Block 2	Gas	44,624,975	148,592,242	
	Guddu CC 5-10	Gas	149,503,096	551,965,431	
	Central Block 3	RFO	16,471,191	198,593,150	
	Guddu Steam 3-4	Gas	125,948,978	556,266,257	
	Guddu Steam 1-2	Gas	47,561,457	224,823,007	
		<b>Central Total</b>		<b>487,446,700</b>	<b>2,024,331,640</b>
	<b>iii. GENCO-III</b>				
	Northern Block 1	RFO	281,628,062	3,331,457,319	
	MG Unit 1-3	Gas	1,724,610	7,369,431	
	Northern Block 2	RFO	139,612,775	1,636,978,381	
	Northern Block 3	RFO	61,031,725	814,737,639	
	GTPS FSD 5-9	GAS	44,234,804	150,800,870	
		HSD	31,923,903	488,109,004	
	Northern Block 5	RFO	37,823,000	593,936,255	
	GTPS FSD 1-4	GAS	6,473,293	39,331,081	
	Northern Block 7	RFO	16,308,400	249,939,197	
	Shahdra	Gas	(61,260)	-367,954	
	Rental Summandari	Gas	11,847,000	134,595,607	
	Rental Bhiki	Gas	4,253,000	18,905,010	
		<b>Northern Total:</b>		<b>636,799,312</b>	<b>7,465,791,841</b>
	<b>iv. GENCO-IV</b>				
	Lakhra Power	Coal	10,403,000	28,062,092	
		<b>GENCOs Total:-</b>		<b>1,591,382,012</b>	<b>13,316,875,724</b>
	3	<b>IPPs</b>			
	1	Kot Addu Block 1	RFO	45,711,000	407,411,903
			Gas	113,100	319,168
			HSD	1,470,000	19,683,492
		Kot Addu Block 2	RFO	436,112,400	4,790,611,063
			Gas	16,040,500	49,888,966
			HSD	19,443,400	284,008,056
Kot Addu Block 3		Gas	1,611,000	5,503,406	
		HSD	61,040,600	925,823,631	
		<b>KAPCO Total</b>		<b>581,542,000</b>	<b>6,483,249,685</b>



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## Energy Procurement Report (Provisional)

April 2010

S.No.	Power Producer	Fuel	Energy KWh	Total Energy Cost (Rs.)
2	Hub Power	RFO	699,547,700	7,852,419,788
3	Kohinoor Energy	RFO	72,741,000	727,396,746
4	AES Lalpir	RFO	237,579,000	2,488,126,506
5	AES Pakgen	RFO	210,609,749	2,251,060,016
6	Fauji Kabirwala	Gas	94,205,000	347,184,199
7	Japan Power	RFO	43,305,000	434,216,264
8	Uch	Gas	343,810,000	902,922,869
9	Rousch	Gas	271,704,318	809,707,935
10	Southern Power	RFO	63,822,458	653,649,445
11	Saba Power	RFO	44,106,974	462,714,226
12	Habibullah	Gas	79,254,250	240,158,027
13	Altern	Gas	20,371,500	72,869,633
14	Liberty	Gas	133,025,000	891,061,280
15	Chashma Nuclear	Nucl.	71,940,000	(5,656,235)
16	Tavanir Iran	Import	22,522,440	93,764,227
Sub-Total:			2,990,086,389	24,704,844,611
1	Attock-Gen	RFO	105,834,929	1,113,605,370
2	Atlas-Honda	RFO	142,823,856	1,356,250,031
3	Nishat Power	RFO	7,902,445	72,058,439
4	Foundation Power	Gas	187,920	620,136
5	Orient	Gas	37,556,702	113,796,807
6	Nishat Chunian	RFO	82,209	809,898
7	Saif Power	Gas	32,541,881	79,857,776
8	Engro Energy	Gas	140,839,000	450,684,800
Sub-Total:			467,768,942	3,187,683,257
IPPs Total:-			3,457,855,331	27,892,527,868
4	Others			
i.	TPS-Quetta	Gas	15,938,000	159,380,000
ii.	TPS-Shahdara	Gas	(61,260)	(612,600)
iii.	SPPs	Mixed	65,249,477	685,119,509
Others Total			81,126,217	843,886,909
G-Total:			6,626,130,678	42,706,556,612
<b>Summary</b>				
	Hydel		1,495,767,118	653,266,112
	Coal		10,403,000	28,062,092
	HSD		113,877,903	1,717,624,183
	F.O.		2,882,943,367	32,127,415,587
	Gas		1,963,427,373	7,428,300,063
	Nuclear		71,940,000	(5,656,235)
	Import from Iran		22,522,440	93,764,227
	Mixed		65,249,477	685,119,509
	Prev. Adjustment		-	(21,338,925)
Grand Total			6,626,130,678	42,706,556,612

## Energy Sale Price

Energy Cost (Rs.)	42,706,556,612
EPP charged to IPPs	87,797,160
EPP (Chargable) (Rs.)	42,618,759,452
Energy Sold (KWh)	6,370,294,305
Avg. Rate (Rs./KWh)	6.690



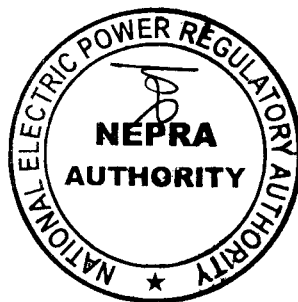
## Source Wise Generation

Sources	Reference		Actual	
	April 2010			
	GWh	%	GWh	%
Hydel	1,538	19.9%	1,496	22.6%
Coal	-	0.0%	10	0.2%
HSD	51	0.7%	114	1.7%
RFO	3,361	43.4%	2,883	43.5%
Gas	2,662	34.4%	1,963	29.6%
Nuclear	81	1.0%	72	1.1%
Import Iran	20	0.3%	23	0.3%
Mixed	35	0.5%	65	1.0%
Prev Adjust	-	0.0%	-	0.0%
<b>Total</b>	<b>7,747</b>	<b>100.0%</b>	<b>6,626</b>	<b>100.0%</b>
Sale to IPPs	-	0.0%	(5)	-0.1%
Transmission Losses	(194)	-2.5%	(250)	-3.8%
Net Delivered	7,554	97.5%	6,370	96.1%

## Source Wise Fuel Cost/Energy Purchase Price

Sources	Reference		Actual	
	April 2010			
	Mlns. Rs.	Rs./kWh	Mlns. Rs.	Rs./kWh
Hydel	609	0.40	653	0.44
Coal	-	-	28	2.70
HSD	516	10.10	1,718	15.09
RFO	32,501	9.67	30,856	10.70
Gas	8,746	3.29	7,300	3.72
Nuclear	41	0.51	37	0.51
Import Iran	79	4.05	95	4.21
Mixed	221	6.32	685	10.50
Prev Adjust	-	-	(21)	(0.00)
<b>Total</b>	<b>42,714</b>	<b>5.51</b>	<b>41,351</b>	<b>6.24</b>
Supplemental Charges	-	-	1,356	0.20
Sale to IPPs	-	-	(88)	(16.27)
<b>Grand Total</b>	<b>42,714</b>	<b>5.51</b>	<b>42,619</b>	<b>6.43</b>
Transmission Losses	-	0.14	-	0.26
<b>Net Total</b>	<b>42,714</b>	<b>5.65</b>	<b>42,619</b>	<b>6.69</b>

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**National Electric Power Regulatory Authority**



**NOTIFICATION**

*Islamabad, the May 28, 2010*

S.R.O. 356(I)/2010: – In pursuance of the Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997 and subsequent amendment made in that sub-section through an Ordinance No. XIV of 2010 promulgated by the President on the 18<sup>th</sup> April, 2010, the National Electric Power Regulatory Authority has determined the following adjustment in fuel cost component on account of fuel price variation for the month of April 2010 for Ex-WAPDA Distribution Companies:

Actual Fuel Charges Component for April 2010	Rs. 6.42/kWh
Corresponding Reference Fuel Charges Component (Determined) for the month of April 2010	Rs. 5.65/kWh
Fuel Price Variation for the month of April 2010	Rs. 0.77/kWh

Note: The assessed fuel cost adjustment of Rs.0.77/kWh for the month of April 2010 is higher by Rs.0.20/kWh than the adjustment of Rs.0.57/kWh for the month of March 2010; therefore effectively there will be an increase of Rs.0.20/kWh in the bill of the consumers on account of fuel adjustment charges as compared to the month of March 2010.

The above adjustment of Rs.0.77/kWh shall be applicable to all the consumer categories except lifeline consumers of all the Ex-WAPDA Distribution Companies. Ex-WAPDA Distribution Companies shall show the fuel price adjustment as determined by the Authority for the month of April 2010 separately in the consumers' bills and the billing impact shall be worked out on the basis of units billed to the consumer in the month of April 2010.

(Syed Safer Hussain)  
Registrar