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National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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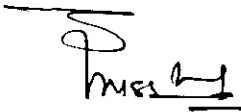
No. NEPRA/TRF-100/MFPA/732-734
February 08, 2011

Subject: **Decision of the Authority in the matter of Fuel Charges Adjustment for the Month of December 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)**

Please find enclosed herewith decision of the Authority along with Annex-I & Annex-II (07 pages) in respect of Fuel Charges Adjustment for the month of December 2010 for XWDISCOs.

2. 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.

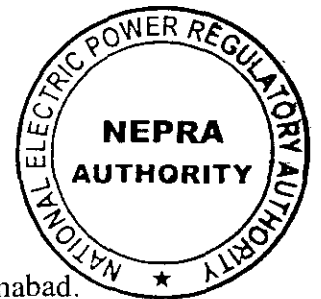
Encl: As above


(Syed Safer Hussain)

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

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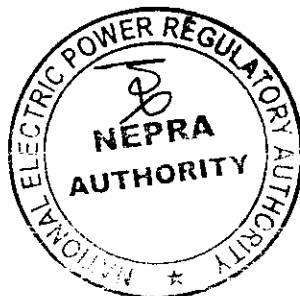
1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.





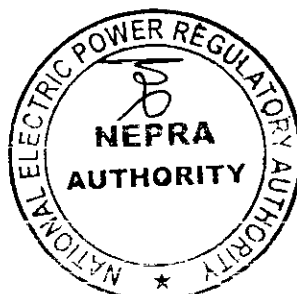
DECISION OF THE AUTHORITY IN THE MATTER OF FUEL CHARGES ADJUSTMENT
FOR THE MONTH OF DECEMBER 2010 FOR XWDISCOS

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 has 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 December 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 27th January 2011 in NEPRA Main Office; notice thereof was published in two leading national newspapers on 19th January 2011 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), Ministry of Water & Power and media were present, however, no representative from 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. 5.8199/kWh for the month of December 2010 decreased by Rs. 0.4619/kWh (Annex-I&II) as compared to the reference fuel charges, i.e. Rs. 6.2818/KWh as indicated in the Annexure-IV of the Authority's determination pertaining to the 1st Quarter of FY 2010-11.
7. The Authority noted that the supplemental charges under PPAs included an amount of Rs. 392 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. 392 million to be passed on to the consumers. In this regard the impact of markup cost of Rs. 0.0589/kWh is disallowed accordingly.
8. The Authority further noted that during December 2010 NTDC claimed 3.62% (241 GWh) 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). CPPA informed that the reported net electrical output (NEO) of 6,650.27 GWh in December 2010 also included 26.854 GWh of energy generated by AES Pakgen Limited in August 2010 which could not be recorded in that month due to flow of water inside the plant owing to severe flood. If the 26.854 GWh had been recorded in August 2010, the transmission losses would have been 2.64% (237 GWh) instead of reported losses of 2.35% (210 GWh) in August 2010.
9. Analysis of reported losses of 3.62% (241 GWh) in December 2010 shows that the unaccounted energy of August 2010 has an impact of 0.4% and the net losses pertaining

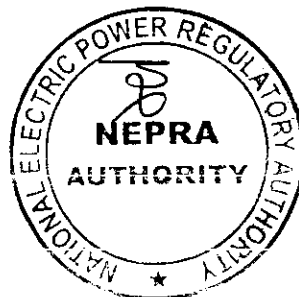


to December 2010 are 3.22% (214 GWh). The Authority has decided to allow the losses in accordance with the benchmark of 2.5% for both months (August & December) that amount to 390 GWh. As the transmission losses of 210 GWh have already been allowed in August 2010, the balance losses i.e. 180 GWh (2.70%) are justified and are being allowed in December 2010. Therefore, the impact of Rs. 0.0566/kWh on account of transmission losses exceeding the benchmark is being disallowed to be passed on to the consumers.

10. Accordingly the Authority has reviewed and assessed a decrease of Rs. 0.5775/kWh in the applicable tariff for EX-WAPDA DISCOS on account of variations in the fuel charges for the month of December 2010 as per the following details:

Actual Fuel Charges Component for December 2010	Rs. 5.7043/kWh
Corresponding Reference Fuel Charges Component (Determined)	Rs. 6.2818/kWh
Fuel Charges Variation for the month of December 2010	(-) Rs. 0.5775/kWh

11. In the light of the observations made in paragraph 7 to 9 above, the Authority hereby directs CPPA to revise accordingly the fuel charges component invoiced to the distribution companies.
12. The adjustment as referred to in Para 10 above ;
- i) shall be applicable to all the consumer categories except lifeline and agricultural consumers of all the DISCOs;





- ii) shall be shown separately in the consumers' bill on the basis of units billed to the consumers in the month of December 2010.

AUTHORITY

(Zafar Ali Khan)
Member

28/1/11

(Maqbool Ahmad Khawaja)
Member

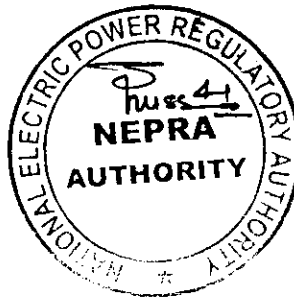
(Ghiasuddin Ahmed)
Member

3/2

(Shaukat Ali Kundi)
Member/Vice Chairman

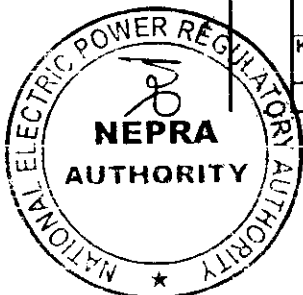
07.02.2011

(Khalid Saeed)
Chairman



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

S.No.	Power Producer	Fuel	Dep. Capacity MW	Energy KWh	Total Energy Cost (Rs.)
1	WAPDA	Hydel	6444	1,954,601,633	115,321,496
	Jagran	Hydel	30	(2,022,030)	-4,040,016
	Malakund-III SHYDO	Hydel	81.46	20,579,300	76,719,337
	Hydel Total:		6555.46	1,973,158,903	188,000,817
2	GENCO-I				
	Jamshoro Block 1	RFO		(410,000)	-41,697
	Unit 1	GAS			0
	Jamshoro Block 2	RFO		88,752,470	1,255,788,887
	Unit 2-4	Gas		13,372,530	65,981,400
	Jamshoro Block 3	RFO			0
	Kotry 3-7	Gas		41,987,370	181,749,150
	Jamshoro Block 4	Gas			0
	Kotry 1-2	Gas	798.5	499,630	4,143,631
	Prev. Adjustment				0
	Jamshoro Total		798.5	144,202,000	1,507,621,371
	GENCO-II				
	Central Block 1	RFO			0
	Guddu CC 11-13	Gas	390	114,653,305	381,772,575
	Central Block 2	Gas			0
	Guddu CC 5-10	Gas	530	231,501,781	854,704,576
	Central Block 3	RFO		9,873,406	130,279,592
	Guddu Steam 3-4	Gas	340	78,638,694	347,315,656
	Central Block 4	F.O.			0
	Guddu Steam 1-2	Gas	140	56,934,214	269,128,029
	Prev. Adjustment				-7,513,513
	Central Total		1400	491,601,400	1,975,686,914
	GENCO-III				
	Northern Block 1	RFO		178,540,699	2,267,394,727
	MG Unit 1-3	Gas		547,811	2,340,853
	Northern Block 2	RFO		8,159,644	102,417,403
	MG Unit 4	GAS		(335,016)	-1,418,926
	Northern Block 3	RFO		51,634,525	739,670,356
	MG Unit 5-6	Gas		(564,069)	-2,714,639
	Northern Block 4	F.O.			0
	GTPS FSD 5-9	GAS		(279,570)	-953,082
		HSD			0
	Northern Block 5	RFO	1,568	14,658,000	245,726,712
SPS FSD 1-2	GAS			0	
Northern Block 6	RFO			0	
GTPS FSD 1-4	GAS		(48,430)	-294,256	
	HSD			0	
Northern Block 7	RFO		8,862,300	138,889,106	
NGPS Multan 1-4	GAS			0	
Northern Block 8	F.O.			0	
Shahdra	Gas		(63,430)	-380,987	
Gulf Rental	RFO		36,088,149	407,251,153	
Rental Summandari	Gas	138		0	
Adjustment				0	
Northern Total:		1,831	297,200,613	3,897,928,420	
GENCO-IV					
Lakhra Power	Coal	31.2		0	
GENCOs Total:-		4,061	933,004,013	7,381,236,706	
3	Kot Addu Block 1	RFO		217,444,900	2,321,843,455
		Gas			0
		HSD		12,822,800	176,848,321
	Kot Addu Block 2	RFO		213,532,300	2,245,502,721
		Gas			0
		HSD			0
	Kot Addu Block 3	Gas			0
	HSD			0	
KAPCO Total		1336	443,800,000	4,744,194,497	



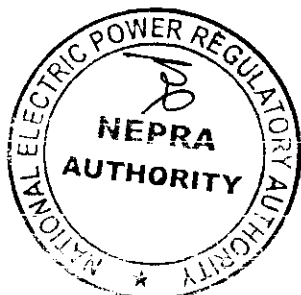
S.No.	Power Producer	Fuel	Dep. Capacity MW	Energy KWh	Total Energy Cost (Rs.)
	Hub Power	RFO	1,200	740,442,600	8,226,140,709
	Kohinoor Energy	RFO	124	80,216,000	846,386,397
	AES Lalpir	RFO	350	53,685,124	536,336,709
	*Pak Gen Power Limited	RFO	350	185,677,113	2,042,478,790
	Southern Power	RFO	119	52,574,518	564,688,447
	Habibullah	Gas	129	80,511,732	244,706,082
	Fauji Kabirwala	Gas	151	90,815,000	331,879,864
	Rousch	Gas	395	300,212,772	914,814,034
	Saba Power	RFO	126	37,270,841	411,663,893
	Japan Power	RFO	121	27,271,720	284,363,068
	Uch	Gas	551	399,510,000	997,707,749
	Altern	Gas	26	8,600	552,846
	Liberty	Gas	213	146,833,000	1,106,874,400
	Chashma Nuclear	Nucl.	300	219,080,000	245,172,428
	Tavanir Iran	Import	32	20,498,836	89,806,958
Sub-Total:			5,524	2,878,407,856	21,587,766,871
1	Attock-Gen	RFO	156.18	102,500,228	1,104,979,499
2	Atlas-Honda	RFO	213.60	134,420,142	1,347,315,884
3	Nishat Power	RFO	195.20	130,528,449	1,351,623,989
4	Foundation Power	Gas	177.00	699,040	1,797,372
5	Orient	HSD	209.00	23,537,065	259,047,611
6	Nishat Chunian	RFO	195.20	129,702,701	1,302,509,298
7	Saif Power	HSD	209.00	40,204,844	630,437,300
8	Engro Energy	Gas	217.00	158,136,749	476,873,252
9	Saphire Power	HSD	225.00	40,301,285	618,891,804
10	Hubco Narowal	Gas	225.00	-	-
11	Liberty Power	RFO	200.00	55,136,319	514,635,923
12	Halmore	Gas	225.00	-	-
Sub-Total:				815,166,822	7,608,111,932
IPP,s Total:-			7,008	3,693,574,678	29,195,878,803
4	TPS-Quetta	Gas	25	(53,385)	(400,388)
	TPS-Shahdara	Gas		-	-
	SPPs	Mixed	151	50,590,594	581,791,831
Others Total			176	50,537,209	581,391,444
G-Total:			17,568	6,650,274,803	37,346,507,770

Summary

1	Hydel			1,973,158,903	188,000,817
2	Coal			-	-
3	HSD			116,865,994	1,685,225,036
4	F.O.			2,556,562,148	28,387,845,021
5	Gas			1,713,518,328	6,176,179,192
6	Nuclear			219,080,000	245,172,428
7	Import from Iran			20,498,836	89,806,958
8	Mixed			50,590,594	581,791,831
	Prev. Adjustment			-	(7,513,513)
Grand Total				6,650,274,803	37,346,507,770

Energy Sale Price

Energy Cost (Rs.)	37,346,507,770
EPP charged to IPPs (Rs.)	69,625,716
EPP (Chargable) (Rs.)	37,276,882,054
Energy Sold (KWh)	6,405,119,008
Avg. Rate (Rs./KWh)	5.8199



Source Wise Generation

Sources	Reference		Actual	
	December 2010			
	GWh	%	GWh	%
Hydel	1,316.70	19.45%	1,973.16	29.67%
Coal	0.24	0.00%	-	0.00%
HSD	-	0.00%	116.87	1.76%
RFO	3,202.41	47.31%	2,556.56	38.44%
Gas	1,977.17	29.21%	1,713.52	25.77%
Nuclear	207.41	3.06%	219.08	3.29%
Import Iran	16.56	0.24%	20.50	0.31%
Mixed	48.71	0.72%	50.59	0.76%
Prev Adjust	-	0.00%	-	0.00%
Total	6,769.20	100.00%	6,650.27	100.00%
Sale to IPPs	-	0.00%	(4.38)	-0.07%
Transmission Losses	(169.23)	-2.50%	(240.78)	-3.62%
Net Delivered	6,599.97	97.50%	6,405.12	96.31%

Source Wise Fuel Cost/Energy Purchase Price

Sources	Reference		Actual	
	December 2010			
	Mlns. Rs.	Rs./kWh	Mlns. Rs.	Rs./kWh
Hydel	161.24	0.1225	188.00	0.0953
Coal	0.65	2.6975	-	-
HSD	-	-	1,659.66	14.2014
RFO	33,451.17	10.4456	27,880.36	10.9054
Gas	7,146.97	3.6147	6,026.32	3.5169
Nuclear	105.68	0.5095	245.17	1.1191
Import Iran	82.63	4.9894	88.04	4.2950
Mixed	511.43	10.5000	581.79	11.5000
Prev Adjust	-	-	-	-
Total	41,459.76	6.1248	36,669.34	5.5140
Supplemental Charges	-	-	677.16	0.1018
Sale to IPPs	-	-	(69.63)	(15.9078)
Grand Total	41,459.76	6.1248	37,276.88	5.6053
Transmission Losses	-	0.1570	-	0.2145
Net Total	41,459.76	6.2818	37,276.88	5.8199

