



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/TRF-100/MFPA/4572-89

May 22, 2012

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.
9. Chief Executive Officer, SEPCO.

Subject: **Decision of the Authority in the matter of Fuel Price Adjustment for the Month of February 2012 for XWDISCOs and Notification (S.R.O. 523(I)/2012 dated 18.05.2012) Thereof**

Enclosed please find a copy of decision of the Authority alongwith Note of Dissent of Mr. Shaukat Ali Kundi, Member regarding fuel price adjustment for the month of February 2012 in respect of Ex-WAPDA Distribution Companies and Notification (S.R.O. 523(I)/2012 dated 18.05.2012) thereof. This is for information and further necessary action.

2. It may please be noted for strict compliance that Honourable High Court(s) have passed orders with regard to recovery of the fuel charge adjustments from the electricity consumers; therefore DISCOs are directed that while charging the fuel charge adjustment from their consumers, the Orders of the Honourable Court(s) must be kept in mind and ensure compliance with the Order(s) of the Court(s), whatsoever, in this regard. In case of non-compliance of Courts Order the concerned DISCO shall be held responsible for violating / defying the orders of the Honourable Court(s).

Enclosure: As above.


(Syed Safer Hussain)

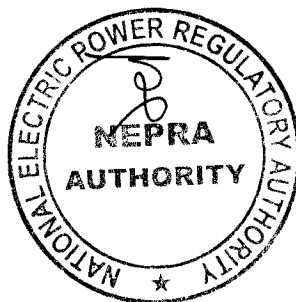
CC:

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. Managing Director, NTDC, 414 WAPDA House, Lahore.
7. Chief Operating Officer, CPPA, WAPDA House, Lahore.
8. General Manager, WAPDA Power Privatization Organization (WPPO) of NTDC, Lahore.
9. All Pakistan Textile Mills Association (APTMA) through Rashid Law Associates Attorneys & Corporate Consultants, 5th Floor, Ajmal House, 27-Egerton Road, Lahore.



**DECISION OF THE AUTHORITY IN THE MATTER OF FUEL CHARGES ADJUSTMENT
FOR THE MONTH OF FEBRUARY 2012 FOR XW-DISCOs**

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 make adjustments in the approved tariff on a monthly basis on account of , any variations in the fuel charges.
2. In order to make adjustments in the approved tariff of the XWDISCOs due to variations in the fuel charges for the month of February 2012, necessary information as to the details of fuel charges was obtained from Central Power Purchasing Agency (CPPA).
3. Notwithstanding the fact that the monthly adjustment on account of fuel charges variation is made in pursuance of the provisions of section 31(4) of the Act XL of 1997, as well as on the basis of a mechanism of adjustments already determined by the Authority, 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 variation in the fuel charges.
4. A date of hearing for the aforesaid purpose was fixed as 25th April 2012 in NEPRA Main Office; notice thereof was published in the leading national newspapers on 20th April 2012 inviting comments/objections from the interested persons. The salient features and details of the proposed adjustment were also mentioned in the said notice.
5. On the date fixed for hearing, representatives from Central Power Purchasing Agency (CPPA), Wapda Private Power Organization (WPPO), National Power Control Cell (NPCC), general public and media were present; however, no representative from Ministry of Finance and Ministry of Water & Power attended the public hearing despite the service of notice.
6. From the perusal of the information so provided by CPPA, it has been observed that the actual pool fuel charges of Rs. 7.1862/kWh for the month of February 2012 increased by Rs. 0.6931/kWh (Annex-I&II) as compared to the reference fuel charges, i.e. Rs. 6.4931/kWh as indicated in the Annexure-IV of the Authority's determination pertaining to the 1st Quarter of FY 2010-11.
7. As per details provided by CPPA, 80.85 GWh were purchased from small, captive and new captive power plants during February 2012. CPPA estimated an amount of Rs.



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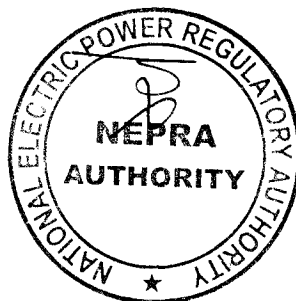
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1,091.50 million on account of this energy. CPPA was directed to provide details of actual cost of energy purchased from small, captive and new captive power plants, however, CPPA only provided details of actual cost of Rs. 699.63 million for 52.65 GWh. The Authority is, therefore, constrained to set aside the cost of energy purchased from small, captive or new captive power plants to the extent of Rs. 391.87 million (Rs. 1,091.50 million – Rs. 699.63 million) along with 28.20 GWh (80.85 GWh – 52.65 GWh) for which CPPA has not provided any details. Accordingly in the instant adjustment cost of Rs. 699.63 million for 52.65 GWh purchased from small, captive and new captive power plants has been considered provisionally, subject to adjustment on the basis of tariff determined/approved by the Authority on case to case basis.

8. In light of the decision of the Honourable Supreme Court of Pakistan dated 30th March 2012 regarding Rental Power Plants whereby the rental power plants were declared void ab initio, the fuel cost of Rs. 697.104 million in respect of 40.122 GWh of energy provided during February 2012 by two rental power plants namely Gulf and Karkey is being set aside and disallowed to be passed on to the consumers.
9. The Authority also noted that during February 2012 NTDC reported 2.89% transmission losses against the determined losses of 2.50% as per the Authority's determination dated 9th May 2011 (Case No. NEPRA/TRF-165/NTDC-2010). However, CPPA has already reduced the energy charge by Rs. 165.60 million on account of NTDC transmission losses beyond 2.5%. The financial impact of increased transmission losses is, therefore, not being passed on to the consumers.
10. The Authority has reviewed and assessed an increase of Rs. 0.5885/kWh in the applicable tariff for EX-WAPDA DISCOS on account of variations in the fuel charges for the month of February 2012 as per the following details:

Actual Fuel Charges Component for February 2012	Rs. 7.0815/kWh
Corresponding Reference Fuel Charges Component (Determined)	Rs. 6.4931/kWh
Fuel Charges Variation for the month of February 2012 (Increase)	Rs. 0.5885/kWh

11. The assessed fuel charges adjustment of Rs. 0.5885/kWh for the month of February 2012 is lower by Rs. 1.2830/kWh than the adjustment of Rs. 1.8715/kWh for the month



of January 2012 therefore, effectively there will be a decrease of Rs. 1.2830/kWh in the bill of the consumers on account of fuel charges adjustment as compared to the month of January.

12. The adjustment as referred to in Para 10 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 consumers in the month of February 2012.
 - iii) DISCOs shall recover the fuel charges adjustment in respect of February 2012 in the billing month of September 2012.
 - iv) While effecting the recovery of Fuel Adjustment Charges, the concerned DISCOs shall keep in view and strictly comply with the orders of the courts notwithstanding this order.

AUTHORITY

My note is annexed -

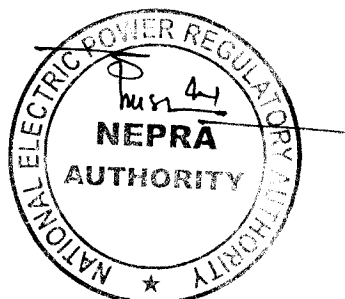
Shaukat Ali Kundi

(Shaukat Ali Kundi) *09.05-2012*
Member

Habibullah Khilji
10/5/2012

(Habibullah Khilji)
Member

Ghiasuddin Ahmed
26/4
(Ghiasuddin Ahmed)
Vice Chairman



NOTE OF DISSENT OF MR. SHAUKAT ALI KUNDI, MEMBER NEPRA IN THE
MATTER OF FUEL CHARGES ADJUSTMENT FOR THE MONTH OF FEBRUARY
2012 FOR XWDISCOS (EX-WAPDA DISCOS)

In my considered opinion, the benchmark for the fuel cost component has already been established by the Authority while determining the tariff determination of DISCOs for the year 2011-12, therefore, the same fuel cost reference which is Rs.65,000 per kWh should have been taken into consideration while calculating fuel cost adjustment of XWDISCOs, rather than taking into consideration Rs. 45,000.00 as reference fuel cost component which is now non-existent and irrelevant. I am, therefore, inclined not to pass on any undue burden to the consumers.

Shaukat Ali Kundi
(Shaukat Ali Kundi)
Member (Licensing) 09.05.2012

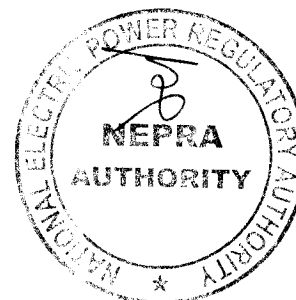


CENTRAL POWER PURCHASING AGENCY (CPPA)
Energy Procurement Report (Provisional)
February-2012

Annex-I

S.No.	Power Producer	Fuel	Dep. Capacity MW	Energy KWh	Total Energy Cost (Rs.)		
1	<i>Hydel</i>						
	i. WAPDA	Hydel	6,516.00	2,094,083,509	161,391,016		
	ii. Jagran	Hydel	30.00	(155,420)	-310,529		
	iii. Pehure	Hydel	17.90	1,050,480	5,059,007		
	iv. Malakand-III SHYDO	Hydel	81.46	4,839,400	106,988,515		
	Hydel Total:		6,645.36	2,099,817,969	273,128,008		
2	<i>Ex-WAPDA GENCOs</i>						
	<i>i. GENCO-I</i>						
	Jamshoro Block 1	RFO	205.00	73,860,000	1,378,501,450		
	Unit 1	GAS		-	0		
	Jamshoro Block 2	RFO	470.00	14,705,000	312,049,355		
	Unit 2-4	Gas		-	2,270,035		
	Jamshoro Block 3			-	0		
	Kotri 3-7	Gas	106.50	-	1,660,472		
		Jamshoro Total		798.50	88,565,000	1,694,481,312	
	<i>ii. GENCO-II</i>						
	Guddu CC 11-13	Gas	390	182,921,775	913,346,997		
	Guddu CC 5-10	Gas	530	296,073,984	1,688,669,988		
	Central Block 3	RFO	340	4,698,287	88,081,606		
	Guddu Steam 3-4	Gas		127,491,737	840,556,412		
	Central Block 4			-	0		
	Guddu Steam 1-2	Gas	140	13,946,517	101,505,537		
	Prev. Adjustment				0		
		Central Total		1,400.00	625,132,300	3,632,160,540	
	<i>iii. GENCO-III</i>						
	Northern Block 1	RFO	558.00	104,845,749	2,030,034,483		
	MG Unit 1-3	Gas		433,781	2,387,400		
	Northern Block 2	RFO	270.00	75,900,687	1,427,646,382		
	MG Unit 4	Gas		440,338	2,402,044		
	Northern Block 3	RFO	360.00	(639,949)	-13,969,065		
	GTPS FSD 5-9	Gas	117.00	(339,293)	-1,489,293		
	GTPS FSD 1-4	Gas	75.00	(36,707)	-287,368		
	Northern Block 7	RFO	91.00	(198,500)	-4,408,903		
	Shahdra	Gas		(31,370)	-188,421		
		Northern Total:	1,568.00	180,374,736	3,442,127,259		
	<i>iv. GENCO-IV</i>						
		Coal	31.20	12,919,000	40,318,907		
		Total:	31.20	12,919,000	40,318,907		
	<i>v. Rental Power</i>						
	*Walter RPP (Nuodero)	Gas	44.97	(106,282)	-403,872		
	Gulf Rental	RFO	62.00	17,891,532	311,505,839		
	Reshman	RFO		-	0		
	Karkey	RFO	231.80	22,230,900	385,598,702		
		Total:	338.77	40,016,150	696,700,670		
		GENCOs Total:-	4,136.47	947,007,186	9,505,788,688		
	3	<i>IPPs</i>					
		1	Kot Addu Block 1	RFO	325	225,529,000	3,788,530,602
				HSD		-	0
			Kot Addu Block 2	RFO	762	145,850,000	2,709,043,611
				Gas		-	-
			HSD		-	-	
			Gas	249	-	-	
			HSD		-	-	
			KAPCO Total	1,336.00	371,379,000	6,497,574,213	
		2	Hub Power	RFO	1,200.00	585,318,500	10,323,686,077
		3	Kohinoor Energy	RFO	124.00	44,911,000	713,788,311
4		AES Lalpir	RFO	350.00	113,304,000	1,952,739,827	
5		Pak Gen Power Limited	RFO	348.60	-	0	
6		Southern Power	RFO	110.47	14,237,747	227,348,768	
7		Habibullah	Gas	129.15	26,665,196	121,022,659	
8		Fauji Kabirwala	Gas	151.20	100,348,000	384,863,522	
9		Rousch	Gas	395.00	263,196,230	1,178,011,886	
10	Saba Power	RFO	125.55	5,129,622	85,181,471		
11	Japan Power	RFO	107.00	21,616,303	331,415,982		
12	Uch	Gas	551.25	285,220,000	760,519,643		
13	Altern	Gas	26.54	1,800	7,011		
14	Liberty	Gas	211.85	70,339,100	827,256,273		
15	Chashma Nuclear	Nucl.	300.00	207,928,000	501,235,531		
16	Chashma Nuclear-II	Nucl.	315.00	210,867,000	201,567,765		
17	Tavanir Iran	Import	39.00	20,234,273	184,131,884		
	Sub-Total:		5,820.61	2,340,695,771	24,290,350,823		

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CENTRAL POWER PURCHASING AGENCY (CPPA)
Energy Procurement Report (Provisional)
February-2012

S.No.	Power Producer	Fuel	Dep. Capacity MW	Energy KWh	Total Energy Cost (Rs.)
1	Attock-Gen	RFO	156.18	85,560,430	1,576,044,005
2	Atlas-Honda	RFO	213.86	55,633,296	870,504,350
3	Nishat Power	RFO	195.31	45,599,421	793,865,663
4	Foundation Power	Gas	177.00	104,207,745	442,259,937
5	Orient	Gas	212.74	-	0
		HSD		3,460,716	65,394,224
6	Nishat Chunlian	RFO	195.72	64,908,234	1,333,166,381
7	Saif Power	Gas	209.79	-	0
		HSD		-	0
8	Engro Energy	Gas	215.34	151,946,104	693,354,308
		HSD		-	0
9	Saphire Power	Gas	212.11	-	0
		HSD		2,154,230	59,231,413
10	Hubco Narowal	RFO	213.82	50,446,887	767,581,618
11	Liberty Power	RFO	196.14	58,843,965	910,481,918
12	Halmore	Gas	206.81	-	0
		HSD		-	34,803,733
Sub-Total:			2,404.81	622,761,028	7,546,687,550
IPP,s Total:-			8,225.42	2,963,456,799	31,837,038,373
4	Others				
	i. TPS-Quetta	Gas	25.00	(39,000)	-292,500
	ii. Zorlu	Wind	0.75	480,000	4,378,224
	iii. SPPs	Mixed	151.00	80,852,123	1,091,503,661
Others Total			176.00	81,293,123	1,095,589,385
G-Total:			19,183.25	6,091,575,077	42,711,544,453

Summary

1	Hydel			2,099,817,969	273,128,008
2	Coal			12,919,000	40,318,907
3	HSD			5,614,946	159,429,370
4	F.O.			1,830,182,111	32,298,418,433
5	Gas			1,622,679,655	7,957,432,671
6	Nuclear			418,795,000	702,803,296
7	Import from Iran			20,234,273	184,131,884
8	Wind Power			480,000	4,378,224
9	Mixed			80,852,123	1,091,503,661
Grand Total:				6,091,575,077	42,711,544,453

Energy Sale Price

Energy Cost (Rs.)	42,711,544,453
Cost not chargeable to DISCOs (Rs.)	222,149,744
EPP (Chargeable) (Rs.)	42,489,394,710
Energy Sold (KWh)	5,912,616,235
Avg. Rate (Rs./KWh)	7.1862

9-12



Source Wise Generation

Sources	Reference		Actual	
	February 2012			
	GWh	%	GWh	%
Hydel	1,243.26	19.81%	2,099.82	34.5%
Coal	2.69	0.04%	12.92	0.2%
HSD	-	0.00%	5.61	0.1%
RFO	2,957.14	47.12%	1,830.18	30.0%
Gas	1,805.89	28.78%	1,622.68	26.6%
Nuclear	202.44	3.23%	418.80	6.9%
Import Iran	15.39	0.25%	20.23	0.3%
Mixed	48.71	0.78%	80.85	1.3%
Wind	-	0.00%	0.48	0.0%
Total	6,275.52	100.0%	6,091.58	100.0%
Sale to IPPs	-	0.00%	(3.05)	-0.1%
Transmission Losses	(156.89)	-2.50%	(175.91)	-2.89%
Net Delivered	6,118.63	97.50%	5,912.62	97.1%

Source Wise Fuel Cost/Energy Purchase Price

Sources	Reference		Actual	
	February 2012			
	Mlns. Rs.	Rs./kWh	Mlns. Rs.	Rs./kWh
Hydel	198.18	0.1594	273.13	0.1301
Coal	7.27	2.6975	40.32	3.1209
HSD	-		111.65	19.8845
RFO	32,389.01	10.9528	30,372.24	16.5952
Gas	6,442.92	3.5677	7,463.39	4.5994
Nuclear	103.14	0.5095	504.87	1.2055
Import Iran	76.80	4.9894	184.13	9.1000
Mixed	511.43	10.5000	1,091.50	13.5000
Wind	-		4.38	9.1213
Total	39,728.75	6.3308	40,045.62	6.5739
Supplemental Charges	-	-	2,665.93	0.4376
Sale to IPPs	-	-	(56.55)	(18.5325)
Grand Total	39,728.75	6.3308	42,654.99	7.0023
Transmission Losses	-	0.1623	(165.60)	0.1839
Net Total	39,728.75	6.4931	42,489.39	7.1862

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National Electric Power Regulatory Authority



NOTIFICATION

Islamabad, the 18th day of May, 2012

S.P.O. 523 (I)/2012: -- Pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 as amended through Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act 2011, the National Electric Power Regulatory Authority makes and notifies the following adjustment in the approved tariff on account of variation in fuel charge for the month of February 2012 in respect of Ex-WAPDA Distribution Companies (XWDISCOs):

Actual Fuel Charges Component for February 2012	Rs. 7.0815/kWh
Corresponding Reference Fuel Charges Component (Determined)	Rs. 6.4931/kWh
Fuel Charges Variation for the month of February 2012 (Increase)	Rs.0.5885/kWh

Note: The assessed fuel charges adjustment of Rs.0.5885/kWh for the month of February 2012 is lower by Rs.1.2830/kWh than the adjustment of Rs.1.8715/kWh for the month of January 2012; therefore, effectively there will be a decrease of Rs.1.2830/kWh in the bill of the consumers on account of fuel charges adjustment as compared to the month of January 2012.

2. The above adjustment of Rs.0.5885/kWh shall be applicable to all the consumer categories except lifeline consumers of all the XWDISCOs. The said adjustment shall be shown separately in the consumers' bills on the basis of units billed to the consumers in the month of February 2012 by the XWDISCOs. XWDISCOs shall recover the fuel charges adjustment in respect of February 2012 in the billing month of September 2012.

3. While affecting the recovery of Fuel Adjustment Charges, the concerned DISCOs shall keep in view and strictly comply with the orders of the courts notwithstanding this order.

(Syed Safer Hussain)

Registrar