



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

2nd Floor, OPF Building, G-5/2, Islamabad
Ph: 051-9206500, 9207200, Fax: 9210215
E-mail: registrar@nepra.org.pk

Registrar

No. NEPRA/R/TRF-100/MFPA/6375-92

August 16, 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 Charges Adjustment for the Month of June 2012 for XWDISCOs and Notification (S.R.O. 990(I)/2012 dated 15.08.2012) Thereof**

Enclosed please find herewith a copy of decision of the Authority alongwith Dissenting Note of Mr. Shaukat Ali Kundi, Member NEPRA regarding fuel charges adjustment for the month of June 2012 in respect of Ex-WAPDA Distribution Companies and Notification (S.R.O. 990(I)/2012 dated 15.08.2012) thereof. This is for information and further necessary action.

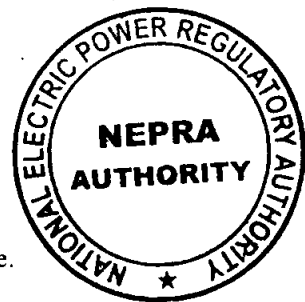
2. It may please be noted for strict compliance that Honourable High Court(s) have passed orders with regard to recovery of the fuel charge adjustments from the electricity consumers; therefore DISCOs are directed that while charging the fuel charge adjustment from their consumers, the Orders of the 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:

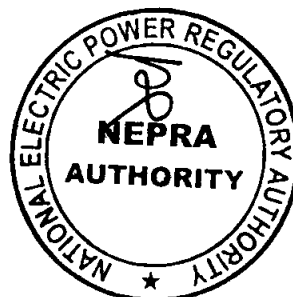
1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Water & Power, 'A' Block, Pak Secretariat, Islamabad.
3. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
4. Managing Director, PEPCO, WAPDA House, Lahore.
5. Member (Power), WAPDA, WAPDA House, 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 JUNE 2012 FOR EX-WAPDA 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) read with the mechanism/formula determined by the Authority in the tariff determinations for Ex-WAPDA DISCOs for the Financial year 2011-12, the Authority has to make adjustments in the approved tariff on account of any variations in the fuel charges on a monthly basis.
2. In order to make adjustments in the approved tariff of the XWDISCOs due to variations in the fuel charges for the month of June 2012, necessary information as to the details of fuel charges etc 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/formula already determined by the Authority, yet the impact of such adjustments, if any, is to be paid by the consumers of electricity, therefore, the salient features and details of the proposed adjustments in the approved tariff were advertised in the national newspapers for information of all concerned. In order to provide an opportunity of hearing to all concerned and to meet the ends of natural justice, it was also decided to conduct a public hearing on 26th July 2012 in NEPRA Main Office; and the date of hearing was also specified in the advertisement dated 20th July, 2012 whereby participation in the hearing and filing of any comments/objections from any interested person were invited.
4. On the date fixed for hearing, representatives from Central Power Purchasing Agency (CPPA), Wapda Private Power Organization (WPPO), Consumer Protection Network and media were present; however, no representative from National Power Control Cell (NPCC), Ministry of Water & Power and Ministry of Finance attended the public hearing despite the service of notice. No objections/comments were filed by any interested person against the proposed adjustment.
5. From the perusal of the information so provided by CPPA, it has been observed that the actual pool fuel charges of Rs. 6.9567/kWh for the month of June 2012 increased by Rs. 0.2611/kWh (Annex-I&II) as compared to the reference fuel charges, i.e. Rs. 6.6956/kWh as indicated in the Annexure-IV of the Authority's determination pertaining to the Ex-WAPDA DISCOs for FY 2011-12.



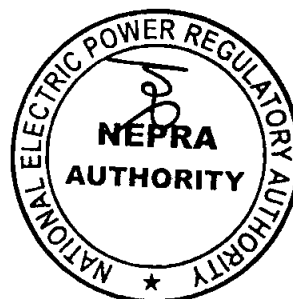
e



6. As per details provided by CPPA, 64.95 GWh were purchased from small, captive and new captive power plants during June 2012. CPPA estimated an amount of Rs. 844.30 million on account of this energy. CPPA provided actual details of energy of 64.37 GWh purchased from these plants. According to the details provided by CPPA, the actual cost of this energy is Rs. 703.89 million. Since the Authority has prescribed provisional gas tariff of Captive Power Plants comprising fuel cost component which is Rs. 6.1570/kWh on gas price of Rs. 507.86/MMBtu and fixed cost component of Rs. 1.53/kWh for new captive power plants, the cost of energy of 64.37 GWh is worked out Rs. 634.44 million. Accordingly in the instant adjustment, cost of Rs. 634.44 million for 64.37 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.
7. The Authority also noted that during June 2012 NTDC reported 3.29% 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. 429.87 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.
8. The Authority has reviewed and assessed an increase of Rs. 0.2333/kWh in the applicable tariff for Ex-WAPDA DISCOs on account of variations in the fuel charges for the month of June 2012 as per the following details:

Actual Fuel Charges Component for June 2012	Rs. 6.9289/kWh
Corresponding Reference Fuel Charges Component (Determined)	Rs. 6.6956/kWh
Fuel Charges Variation for the month of June 2012 (Increase)	Rs. 0.2333/kWh

9. The assessed fuel charges adjustment of Rs. 0.2333/kWh for the month of June 2012 is lower by Rs. 1.2763/kWh than the adjustment of Rs. 1.5096/kWh for the month of May 2012, therefore, effectively there will be a decrease of Rs. 1.2763/kWh in the bill of the consumers on account of fuel charges adjustment as compared to the previous month, i.e., May, 2012.

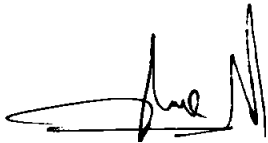




10. The adjustment as referred to in Para 8 above ;

- 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 June 2012.
- iii) DISCOs shall recover the fuel charges adjustment in respect of June 2012 in the billing month of January 2012.
- iv) 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.

AUTHORITY

 02 8-11

(Khawaja Muhammad Naeem)

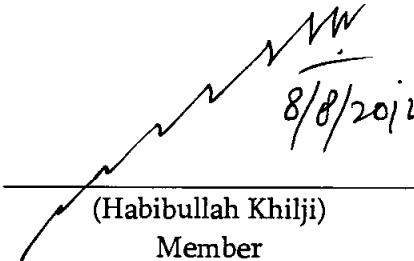
Member

Separate note is attached —



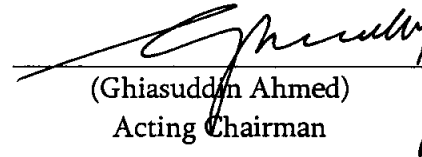
(Shoukat Ali Kundi) 08.08.2012

Member

 8/8/2012

(Habibullah Khilji)

Member

 13/8

(Ghiasuddin Ahmed)

Acting Chairman



CENTRAL POWER PURCHASING AGENCY (CPPA)
Energy Procurement Report (Provisional)
Jun/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	2,836,883,813	218,561,565	
	ii. Jagran	Hydel	30.00	17,745,970	35,456,448	
	iii. Pehure	Hydel	17.90	2,506,320	12,070,186	
	iv. Malakand-III SHYDO	Hydel	81.46	39,036,300	238,333,507	
	Hydel Total:		6,645.36	2,895,172,403	504,421,707	
2	Ex-WAPDA GENCOs					
	i. GENCO-I					
	Jamshoro Block 2	RFO	470.00	12,665,000	274,080,263	
	Jamshoro Block 3			-	0	
	Kotri 3-7	Gas	106.50	53,454,000	284,614,256	
	Jamshoro Block 4			-	0	
	Kotri 1-2	Gas	17.00	-	0	
	Prev. Adjustment			-	0	
		Jamshoro Total		798.50	119,499,000	1,554,788,630
	ii. GENCO-II					
	Guddu CC 11-13	Gas	390	163,345,198	719,109,769	
	Guddu CC 5-10	Gas	530	213,321,806	1,041,821,038	
	Central Block 3	RFO	340	-	0	
	Guddu Steam 3-4	Gas		83,153,794	486,175,287	
	Guddu Steam 1-2	Gas	140	52,525,503	328,767,628	
		Central Total	1,400.00	512,346,301	2,575,873,721	
	iii. GENCO-III					
	Northern Block 1	RFO	558.00	236,620,004	4,626,177,488	
	MG Unit 1-3	Gas		941,610	5,182,339	
	Northern Block 2	RFO		3,663,300	69,569,661	
	MG Unit 4	Gas	270.00	118,628	647,116	
	Northern Block 3	RFO	360.00	(1,165,193)	-26,070,128	
	GTPS FSD 5-9	Gas	117.00	8,617,980	37,627,761	
	Northern Block 5 (SPS)	RFO		-	0	
	SPS FSD 1-2	Gas	97.00	-	0	
	GTPS FSD 1-4	Gas	75.00	(43,980)	-344,306	
	Northern Block 7	RFO	91.00	(189,224)	-4,412,485	
	Shahdra	Gas		(32,580)	-195,589	
		Northern Total:	1,568.00	247,950,545	4,698,381,717	
	iv. GENCO-IV					
		Coal	31.20	11,102,000	34,648,231	
		Total:	31.20	11,102,000	34,648,231	
	v. Rental Power					
*Walter RPP (Nuodero)	Gas	44.97	(75,594)	-287,219		
Gulf Rental	RFO	62.00	-	0		
Karkey	RFO	231.80	-	0		
	Total:	338.77	(75,584)	(287,219)		
	GENCOs Total:-	4,136.47	890,822,262	8,863,405,081		
3	IPPs					
	1	Kot Addu Block 1	RFO	328	153,642,700	2,388,644,117
		Kot Addu Block 2	RFO	762	273,198,900	4,655,736,636
			Gas		67,489,206	377,862,833
		Kot Addu Block 3	Gas	249	10,298,600	61,560,642
			HSD		-	-
		KAPCO Total	1,336.00	509,744,000	7,510,766,803	
	2	Hub Power	RFO	1,200.00	784,248,600	12,684,448,629
	3	Kohlnoor Energy	RFO	124.00	60,667,000	928,961,723
	4	AES Lalpir	RFO	350.00	180,168,000	2,961,434,748
	5	Pak Gen Power Limited	RFO	348.60	199,380,954	3,324,808,964
	6	Southern Power	RFO	110.47	3,060,637	62,628,997
	7	Habibullah	Gas	129.15	81,566,941	384,626,686
	8	Fauji Kabirwala	Gas	151.20	101,760,000	452,789,255
	9	Rousch	Gas	395.00	202,030,319	766,676,604
	10	Saba Power	RFO	125.55	6,161,758	141,112,715
	11	Japan Power	RFO	107.00	18,949,965	290,200,560
12	Uch	Gas	551.25	368,620,000	856,334,225	
13	Altam	Gas	26.54	18,930,000	99,255,941	
14	Liberty	Gas	211.85	132,190,000	1,400,626,265	
15	Chashma Nuclear	Nucl.	300.00	214,735,000	313,233,946	
16	Chashma Nuclear-II	Nucl.	315.00	215,733,000	174,483,276	
17	Tavanir Iran	Import	39.00	33,712,274	316,896,376	
	Sub-Total:		5,820.61	3,133,568,368	32,959,289,745	



**CENTRAL POWER PURCHASING AGENCY (CPA)
Energy Procurement Report (Provisional)
Jun/2012**

S.No.	Power Producer	Fuel	Dep. Capacity MW	Energy KWh	Total Energy Cost (Rs.)
1	Attock-Gen	RFO	156.18	90,076,774	1,371,838,818
2	Atlas Power	RFO	213.86	66,273,280	873,382,664
3	Nishat Power	RFO	195.31	85,383,217	1,366,137,812
4	Foundation Power	Gas	171.75	101,620,133	434,848,602
5	Orient	Gas	212.70	67,474,288	241,780,887
		HSD		11,281,434	238,821,960
6	Nishat Chunian	RFO	195.72	66,664,688	900,069,206
7	Salf Power	Gas	205.27	64,123,636	228,184,088
		HSD		31,606,568	634,088,338
8	Engro Energy	Gas	213.56	142,932,388	666,062,777
9	Saphire Power	Gas	212.11	66,563,724	276,616,464
		HSD		33,336,912	672,794,698
10	Hubco Narowal	RFO	213.82	111,480,397	1,601,036,666
11	Liberty Power	RFO	196.14	70,269,666	1,175,003,682
12	Halmore	Gas	206.81	34,134,024	146,373,431
		HSD		702,984	17,830,732
Sub-Total:			2,393.22	1,002,791,911	11,025,531,677
IPP,s Total:-			8,213.83	4,136,360,279	43,964,621,422
4	Others				
i.	TPS-Quetta	Gas	25.00	16,085,000	113,137,600
ii.	Zorlu	Wind	0.75	616,000	6,616,721
iii.	SPPs	Mixed	120.00	84,946,468	844,303,964
Others Total			176.00	80,647,468	963,060,175
G-Total:			19,171.66	8,003,002,402	54,315,708,384

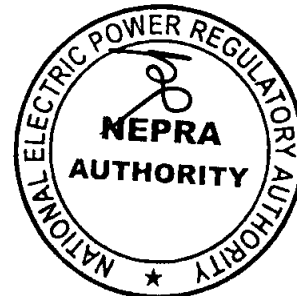
Summary

1	Hydel			2,895,172,403	504,421,707
2	Coal			11,102,000	34,648,231
3	HSD			76,906,678	1,663,535,916
4	F.O.			2,464,909,262	41,030,906,784
5	Gas			2,036,169,127	9,627,681,471
6	Nuclear			430,468,000	487,697,224
7	Import from Iran			33,712,274	316,896,376
8	Wind Power			616,000	6,616,721
9	Mixed			84,946,468	844,303,964
Grand Total:				8,003,002,402	54,315,708,384

Energy Sale Price

Energy Cost (Rs.)	54,315,708,384
Cost not chargeable to DISCOs (Rs.)	491,181,690
EPP (Chargeable) (Rs.)	53,824,526,694
Energy Sold (KWh)	7,737,090,174
Avg. Rate (Rs./KWh)	6.9567

7



Annex-II

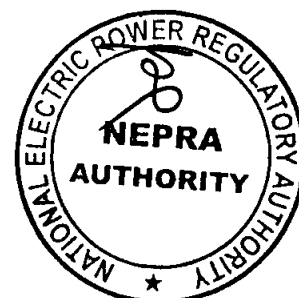
Source Wise Generation

Sources	Reference		Actual	
	June 2012			
	GWh	%	GWh	%
Hydel	3,233.93	36.39%	2,895.17	36.2%
Coal	10.56	0.12%	11.10	0.1%
HSD	158.10	1.78%	76.91	1.0%
RFO	3,476.57	39.12%	2,454.91	30.7%
Gas	1,518.21	17.08%	2,035.17	25.4%
Nuclear	429.31	4.83%	430.47	5.4%
Import Iran	21.30	0.24%	33.71	0.4%
Mixed	37.93	0.43%	64.95	0.8%
Wind	0.63	0.01%	0.62	0.0%
Total	8,886.54	100.0%	8,003.00	100.0%
Sale to IPPs	-	0.00%	(2.50)	0.0%
Transmission Losses	(222.16)	-2.50%	(263.41)	-3.29%
Net Delivered	8,664.38	97.50%	7,737.09	96.7%

Source Wise Fuel Cost/Energy Purchase Price

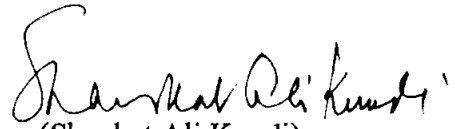
Sources	Reference		Actual	
	June 2012			
	Mlns. Rs.	Rs./kWh	Mlns. Rs.	Rs./kWh
Hydel	478.29	0.1479	504.42	0.1742
Coal	32.34	3.0631	34.65	3.1209
HSD	2,875.84	18.1900	1,563.56	20.3306
RFO	47,341.05	13.6172	40,491.80	16.4942
Gas	6,177.82	4.0691	9,491.85	4.6639
Nuclear	480.44	1.1191	487.70	1.1329
Import Iran	185.34	8.7000	316.90	9.4000
Mixed	436.21	11.5000	844.30	13.0000
Wind	5.76	9.1213	5.62	9.1213
Total	58,013.09	6.5282	53,740.79	6.7151
Supplemental Charges		-	574.91	0.0718
Sale to IPPs		-	(61.31)	(24.5372)
Grand Total	58,013.09	6.5282	54,254.40	6.7793
Transmission Losses	-	0.1674	(429.87)	0.1774
Net Total	58,013.09	6.6956	53,824.53	6.9567

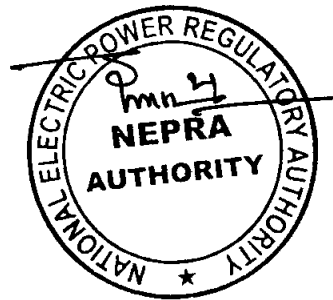
54



DISSENTING NOTE OF MR. SHAUKAT ALI KUNDI, MEMBER NEPRA IN THE MATTER OF FUEL CHARGE ADJUSTMENT FOR THE MONTH OF JUNE 2012 FOR EX-WAPDA DISCOS

I have already disallowed Fuel Charges Adjustments for EX-WAPDA Distribution Companies for the month of May, 2012 on, inter alia, non-signing of power purchase and power sale agreements by CPPA with GENCOs and DISCOs, inefficiencies within GENCOs, etc. Since, the issues highlighted in my dissenting notes have not been addressed by CPPA, GENCOs and DISCOs and no improvements have been made therefore, I do not allow Fuel Adjustments for the month of June 2012 as well. In addition to that, I have gone through the request of CPPA and have observed that under the head of Supplemental Charges, the payments of PLAC, Bonus and E-Duty have also been included. In my view, these charges do not form part of Fuel Charges Adjustment and the inclusion of these costs in Fuel Charges would be unauthorized and an undue burden on the consumer.


(Shaukat Ali Kundi)
Member 08.08.2012



Wednesday II 15 August 2012

TO BE PUBLISHED IN THE GAZETTE OF PAKISTAN
EXTRA ORDINARY, PART-II

National Electric Power Regulatory Authority



NOTIFICATION

Islamabad, the 15th day of August, 2012

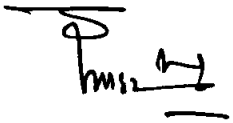
S.R.O. 990 (I)/2012 – Pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 as amended through Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act 2011, the National Electric Power Regulatory Authority makes and notifies the following adjustment in the approved tariff on account of variation in fuel charge for the month of June 2012 in respect of Ex-WAPDA Distribution Companies (XWDISCOs):

Actual Fuel Charges Component for June 2012	Rs. 6.9289/kWh
Corresponding Reference Fuel Charges Component (Determined)	Rs. 6.6956/kWh
Fuel Charges Variation for the month of June 2012 (Increase)	Rs.0.2333/kWh

Note: The assessed fuel charges adjustment of Rs.0.2333/kWh for the month of June 2012 is lower by Rs.1.2763/kWh than the adjustment of Rs.1.5096/kWh for the month of May 2012; therefore, effectively there will be a decrease of Rs.1.2763/kWh in the bill of the consumers on account of fuel charges adjustment as compared to the previous month, i.e. May, 2012.

2. The above adjustment of Rs.0.2333/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 June 2012 by the XWDISCOs. XWDISCOs shall recover the fuel charges adjustment in respect of June 2012 in the billing month of January 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