



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/TRF-100/MFPA

May 3, 2012

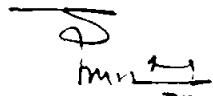
1. Chief Executive Officer, FESCO.
2. Chief Executive Officer, GEPCO.
3. Chief Executive Officer, HESCO.
4. Chief Executive Officer, IESCO.
5. Chief Executive Officer, LESCO.
6. Chief Executive Officer, MEPCO.
7. Chief Executive Officer, PESCO.
8. Chief Executive Officer, QESCO.
9. Chief Executive Officer,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

Subject: **Decision of the Authority in the matter of Fuel Price Adjustment for the Month of November 2011 for XWDISCOs and Notification (S.R.O. 448(I)/2012 dated 02.05.2012) Thereof**

Enclosed please find a copy of decision of the Authority alongwith Note of Mr. Shaukat Ali Kundi, Member regarding fuel price adjustment for the month of November 2011 in respect of Ex-WAPDA Distribution Companies and Notification (S.R.O. 448(I)/2012 dated 02.05.2012) thereof. This is for information and further necessary action.

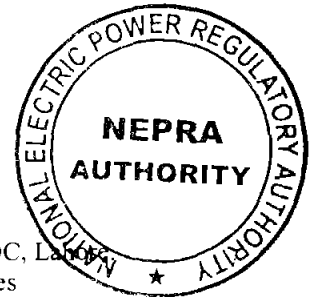
2. It may please be noted for strict compliance that Honourable High Court(s) have passed orders with regard to recovery of the fuel charge adjustments from the electricity consumers; therefore DISCOs are directed that while charging the fuel charge adjustment from their consumers, the Orders of the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

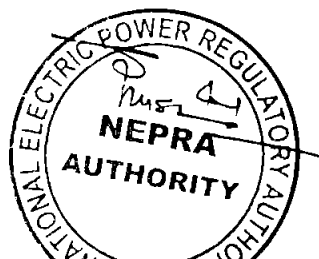
1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Water & Power, 'A' Block, Pak Secretariat, Islamabad.
3. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
4. Managing Director, PEPCO, WAPDA House, Lahore.
5. Member (Power), WAPDA, WAPDA House, 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 NOVEMBER 2011 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 review and revise the approved tariff on account of any variation in the fuel charges on a 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 November 2011, 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, 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 20th March 2012 in NEPRA Main Office; notice thereof was published in the leading national newspapers on 8th March 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), Ministry of Water & Power, general public and media were present; however, no representative from Ministry of Finance and National Power Control Cell (NPCC) attended the public hearing despite the service of notice. Comments from the following were also received:-
 - i. Rashid Law Associates, Attorneys & Corporate Consultants
 - ii. Afzal & Afzal, Advocates & Corporate counselors
 - iii. The Islamabad Steel Mills Association
 - iv. The Pakistan Steel Melters Association
 - v. Haripur Chamber of Commerce & Industry
 - vi. Hattar Industrialists Association





6. The Authority has examined the data provided by CPPA for making adjustments in the approved tariff and it has also heard the concerns raised during the course of hearing. Majority of the concerns of the commentators pertain to the merits of the tariff determinations wherein the tariffs for different companies were determined by the Authority. In this regard, it may be clarified that before determining the tariff, detailed process as to filing of replies, comments, objections, intervention requests, production of evidence and arguments is observed. The concerns now being raised, though without any instance but could be subject matter at the time of determination of tariff and may not be relevant for the purposes of making adjustments in the already determined tariff.
7. After going through the concerns raised during the course of instant hearing, the Authority is of the view that the same are not within the scope of this hearing because it is meant only for making adjustments on the basis of a formula/mechanism already prescribed and notified in the official gazette. There is absolutely no dispute raised by any of the commentators as to the wrong application of the formula for adjustments or the costs of fuel charges, therefore, none of the concerns raised by the commentators are considered to be relevant for the purposes of making fuel charges adjustments.
8. In so far as the concerns of commentators as to making adjustments within 7 days, it may be explained that there is no starting point of 7 days provided in law, however, the Authority has to make adjustments after receipt of actual data from CPPA. Further that a process of hearing is also to be observed in the light of directions of Honorable Lahore High Court for which a prior public notice is to be given to all concerned.
9. As regards the issuance of stay orders from the Courts, Authority has decided to issue the directions to all the DISCOs to affect recovery of fuel charges keeping in view the stay orders from the Honorable Courts.
10. From the perusal of the information so provided by CPPA, it has been observed that the actual pool fuel charges of Rs. 6.3226/kWh for the month of November 2011 increased by Rs. 1.2981/kWh (Annex-I&II) as compared to the reference fuel charges, i.e. Rs. 5.0245/KWh as indicated in the Annexure-IV of the Authority's determination pertaining to the 1st Quarter of FY 2010-11.
11. As per details provided by CPPA 60.23 GWh, amounting to Rs. 798.07 million, were purchased under the head of mixed energy during November 2011. According to the Interim Power Procurement (Procedures & Standards) Regulations 2005, filing of

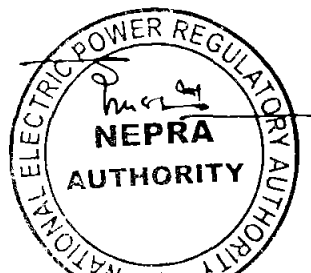


power acquisition requests in respect of energy purchased from small, captive and new captive power plants is mandatory. DISCOs have been directed to file power acquisition requests in respect of all small, captive and new captive power plants whom they have Power Purchase Agreements. The Authority has decided to provisionally allow the cost of energy purchased from small, captive or new captive power plants who are licensees of NEPRA except Gadoon Textile Mills Limited who is not a licensee. Therefore, the actual cost of Rs. 125.654 million for 6.815 GWh energy delivered by Gadoon Textile Mills Limited to PESCO during November 2011 is being set aside and disallowed to be passed on to the consumers. The cost of energy allowed provisionally in respect of all other small, captive and new captive power plants will be subject to adjustment on the basis of tariff determined/approved by the Authority on case to case basis.

12. 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. 1,402.569 million in respect of 98.382 GWh of energy provided during November 2011 by four rental power plants namely Gulf, Karkey, Reshman and Naudero-I is being set aside and disallowed to be passed on to the consumers.
13. The Authority has reviewed and assessed an increase of Rs. 1.1701/kWh in the applicable tariff for EX-WAPDA DISCOS on account of variations in the fuel charges for the month of November 2011 as per the following details:

Actual Fuel Charges Component for November 2011	Rs. 6.1947/kWh
Corresponding Reference Fuel Charges Component (Determined)	Rs. 5.0245/kWh
Fuel Charges Variation for the month of November 2011 (Increase)	Rs. 1.1701/kWh

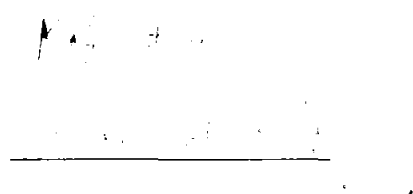
14. The assessed fuel charges adjustment of Rs. 1.1701/kWh for the month of November 2011 is lower by Rs. 0.9565/kWh than the adjustment of Rs. 2.1267/kWh for the month of October 2011; therefore, effectively there will be a decrease of Rs. 0.9565/kWh in the bill of the consumers on account of fuel charges adjustment as compared to the month of October.
15. The adjustment as referred to in Para 13 above ;



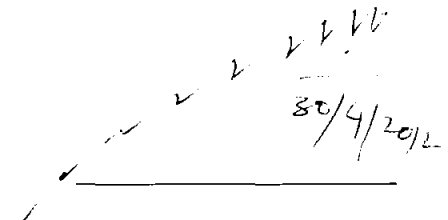


- i) shall be applicable to all the consumer categories except lifeline consumers of all the DISCOs;
- ii) shall be shown separately in the consumers' bill on the basis of units billed to the consumers in the month of November 2011.
- iii) DISCOs shall recover the fuel charges adjustment in respect of November 2011 in the billing month of July 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.

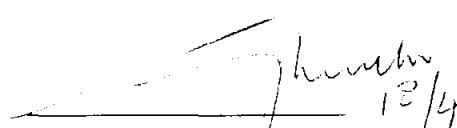
AUTHORITY



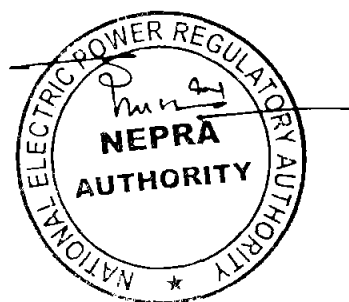
(Shaukat Ali Kundi)
Member



(Habibullah Khilji)
Member



(Ghiasuddin Ahmed)
Vice Chairman



Decision of Mr. Shaukat Ali Kundi Member (Licensing) in the matter of Fuel Price Adjustment for XW-DISCOs for the month of November 2011

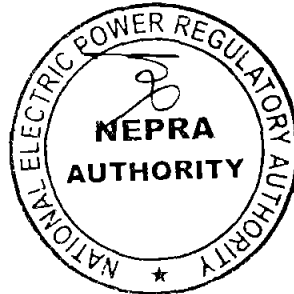
In my considered opinion, the benchmark for the fuel cost component has already been established by the Authority while determining the tariff determination of Discos for the year 2011-2012, therefore, the same fuel cost reference which is Rs.65,000.00 per kWh should have been taken into consideration while calculating fuel cost adjustment of Ex WAPDA Discos, rather than taking into consideration Rs. 45,000.00 as reference fuel cost component which is now non-existent and irrelevant.

In my dissenting note in the matter of Fuel Cost Adjustment of EX Wapda Discos for the month of August 2011, I have pointed out inefficiencies and mismanagement within the Gencos which seems to have not been taken care of so far. I am, therefore, inclined not to pass on any undue burden to the consumers.

Shaukat Ali Kundi
(Shaukat Ali Kundi)

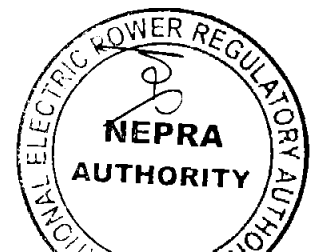
Member

Dated 30.04.2012



CENTRAL POWER PURCHASING AGENCY (CPA)
Energy Procurement Report (Provisional)
November-2011

S.No.	Power Producer	Fuel	Dep. Capacity MW	Energy KWh	Total Energy Cost (Rs.)	
1	Hydel					
	i. WAPDA	Hydel	6,516.00	2,519,924,684	148,675,556	
	ii. Jagran	Hydel	30.00	3,198,890	6,391,382	
	iii. Pehure	Hydel	17.90	6,510,960	31,356,132	
	iv. Malakand-III SHYDO	Hydel	81.46	29,736,200	154,103,334	
	Hydel Total:		6,645.36	2,559,370,734	340,526,404	
2	Ex-WAPDA GENCOs					
	i. GENCO-I					
	Jamshoro Block 1	RFO	205.00	59,310,000	975,902,252	
	Jamshoro Block 2	RFO	470.00	30,880,000	598,525,424	
	Unit 2-4	Gas		4,325,000	24,229,515	
	Kotri 3-7	Gas	106.50	8,989,000	42,180,883	
		Jamshoro Total		798.50	103,504,000	1,640,838,073
	ii. GENCO-II					
	Guddu CC 11-13	Gas	390	175,947,571	664,835,492	
	Central Block 2				0	
	Guddu CC 5-10	Gas	530	266,471,468	1,116,675,334	
	Central Block 3	RFO	340	13,562,645	243,292,758	
	Guddu Steam 3-4	Gas		81,614,822	409,290,171	
	Guddu Steam 1-2	Gas	140	59,664,595	320,285,513	
		Central Total	1,400.00	597,261,101	2,754,379,268	
	iii. GENCO-III					
	Northern Block 1	RFO	558.00	211,017,019	3,657,149,748	
	MG Unit 1-3	Gas		786,777	3,814,846	
	Northern Block 2	RFO	270.00	50,211,000	868,145,166	
	MG Unit 4	Gas		392,094	1,884,325	
	Northern Block 3	RFO	360.00	(673,190)	-13,145,211	
	GTPS FSD 5-9	Gas	117.00	(272,815)	-1,055,139	
	Northern Block 5 (SPS)	RFO	97.00		0	
	GTPS FSD 1-4	Gas	75.00	(33,185)	-228,834	
	Northern Block 7	RFO	91.00	(245,984)	-5,463,575	
	Shahdra	Gas		(32,350)	-194,308	
		Northern Total:	1,568.00	261,149,366	4,510,907,018	
	iv. GENCO-IV					
		Coal	31.20	5,629,000	17,567,546	
		Total:	31.20	5,629,000	17,567,546	
	v. Rental Power					
	*Walter RPP (Nuodero)	Gas	44.97	8,651,765	32,876,707	
	Gulf Rental	RFO	62.00	29,375,111	461,494,031	
	Reshman	RFO		1,792,343	28,908,445	
	Karkey	RFO	231.80	58,562,400	925,527,264	
		Total:	338.77	98,381,619	1,446,806,448	
		GENCOs Total:-	4,136.47	1,065,925,086	10,370,498,353	
	3	IPPs				
	1	Kot Addu Block 1	RFO	325	174,522,600	2,270,128,362
			HSD			0
		Kot Addu Block 2	RFO		311,064,100	4,444,471,916
		Gas	762	479,600	1,736,823	
		HSD			0	
	Kot Addu Block 3	Gas	249	14,706,700	58,118,190	
		HSD			0	
		KAPCO Total	1,336.00	500,773,000	6,774,455,291	
	2	Hub Power	RFO	1,200.00	524,107,200	7,945,900,807
	3	Kohinoor Energy	RFO	124.00	42,996,000	616,813,892
	4	AES Lalpir	RFO	350.00	40,544,000	614,628,714
	5	Pak Gen Power Limited	RFO	348.60	139,132,568	2,143,566,779
6	Southern Power	RFO	110.47	20,942,617	302,101,431	
7	Habibullah	Gas	129.15	50,822,402	175,825,182	
8	Fauji Kabirwala	Gas	151.20	109,608,000	386,067,031	
9	Rousch	Gas	395.00	224,193,285	713,827,436	
10	Saba Power	RFO	125.55	334,800	5,000,138	
11	Japan Power	RFO	107.00	32,614,877	465,420,714	
12	Uch	Gas	551.25	210,500,000	613,737,293	
13	Altern	Gas	26.54	20,996,100	84,573,993	
14	Liberty	Gas	211.85	133,007,000	1,300,095,166	
15	Chashma Nuclear	Nucl.	300.00	189,129,000	212,599,909	
16	Chashma Nuclear-II	Nucl.	315.00	211,479,000	202,152,776	
17	Tavanir Iran	Import	39.00	22,216,520	195,949,706	
	Sub-Total:		5,820.61	2,473,396,369	22,752,716,258	



**CENTRAL POWER PURCHASING AGENCY (CPA)
Energy Procurement Report (Provisional)
November-2011**

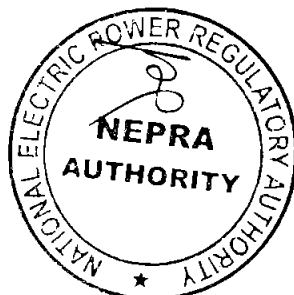
S.No.	Power Producer	Fuel	Dep. Capacity MW	Energy KWh	Total Energy Cost (Rs.)
1	Attock-Gen	RFO	156.18	96,954,830	1,376,175,301
2	Atlas-Honda	RFO	213.86	58,674,768	765,438,656
3	Nishat Power	RFO	195.31	62,923,925	877,909,929
4	Foundation Power	Gas	177.00	124,620,925	432,552,874
5	Orient	Gas	212.74	9,501,405	42,338,979
		HSD		30,094,081	557,493,886
6	Nishat Chunian	RFO	195.72	57,442,459	785,456,711
7	Saif Power	Gas	209.79	1,080,317	1,726,469
		HSD		28,326,368	497,881,286
8	Engro Energy	Gas	217.30	155,306,099	534,981,069
		HSD		-	0
9	Sapphire Power	Gas	212.11	824,062	2,722,425
		HSD		14,332,118	273,473,817
10	Hubco Narowal	RFO	213.82	116,399,147	1,701,942,526
11	Liberty Power	RFO	196.14	61,503,084	883,970,991
12	Halmore	Gas	206.81	9,201,816	29,152,226
		HSD		18,596,087	329,537,051
Sub-Total:			2,406.77	845,781,491	9,092,754,196
IPPs Total:-			8,227.38	3,319,177,860	31,845,470,454
4	Others				
i.	TPS-Quetta	Gas	25.00	4,624,000	34,680,000
ii.	Zorlu	Wind	0.75	296,000	2,699,905
iii.	SPPs	Mixed	151.00	60,231,419	798,066,302
Others Total			176.00	65,151,419	835,446,207
G-Total:			19,185.21	7,009,625,099	43,391,941,418

Summary

1	Hydel			2,559,370,734	340,526,404
2	Coal			5,629,000	17,567,546
3	HSD			91,348,654	1,658,386,040
4	F.O.			2,193,948,319	32,937,263,170
5	Gas			1,675,976,453	7,026,729,660
6	Nuclear			400,608,000	414,752,685
7	Import from Iran			22,216,520	195,949,706
8	Wind Power			296,000	2,699,905
9	Mixed			60,231,419	798,066,302
Grand Total:				7,009,625,099	43,391,941,418

Energy Sale Price

Energy Cost (Rs.)	43,391,941,418
EPP charged to IPPs (Rs.)	85,868,854
EPP (Chargable) (Rs.)	43,306,072,564
Energy Sold (KWh)	6,849,359,458
Avg. Rate (Rs./KWh)	6.322646



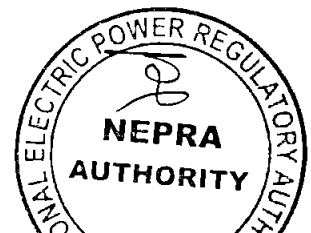
Annex-II

Source Wise Generation

Sources	Reference		Actual	
	November 2011			
	GWh	%	GWh	%
Hydel	2,289.75	33.3%	2,559.37	36.5%
Coal	2.82	0.0%	5.63	0.1%
HSD	-	0.0%	91.35	1.3%
RFO	2,441.29	35.5%	2,193.95	31.3%
Gas	1,850.36	26.9%	1,675.98	23.9%
Nuclear	217.14	3.2%	400.61	5.7%
Import Iran	17.76	0.3%	22.22	0.3%
Mixed	48.71	0.7%	60.23	0.9%
Wind	-	0.0%	0.30	0.0%
Total	6,867.83	100%	7,009.63	100%
Sale to IPPs	-	0.0%	(4.93)	-0.1%
Transmission Losses	(171.70)	-2.5%	(155.33)	-2.22%
Net Delivered	6,696.13	97.5%	6,849.36	97.7%

Source Wise Fuel Cost/Energy Purchase Price

Sources	Reference		Actual	
	November 2011			
	Mlns. Rs.	Rs./kWh	Mlns. Rs.	Rs./kWh
Hydel	242.61	0.1060	340.53	0.1331
Coal	7.60	2.6975	17.57	3.1209
HSD	-	-	1,651.94	18.0838
RFO	25,840.74	10.5849	32,850.74	14.9733
Gas	6,843.31	3.6984	6,967.34	4.1572
Nuclear	110.63	0.5095	414.75	1.0353
Import Iran	88.59	4.9894	195.95	8.8200
Mixed	511.43	10.5000	798.07	13.2500
Wind	-	-	2.70	9.1213
Total	33,644.91	4.8989	43,239.57	6.1686
Supplemental Charges	-	-	152.37	0.0217
Sale to IPPs	-	-	(85.87)	(17.4103)
Grand Total	33,644.91	4.8989	43,306.07	6.1781
Transmission Losses	-	0.1256	-	0.1446
Net Total	33,644.91	5.0245	43,306.07	6.3226



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

National Electric Power Regulatory Authority



NOTIFICATION

Islamabad, the 2nd day of May, 2012

S.R.O. ^{AAE} (1)/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 November 2011 in respect of Ex-WAPDA Distribution Companies (XWDISCOs):

Actual Fuel Charges Component for November 2011	Rs. 6.1947/kWh
Corresponding Reference Fuel Charges Component (Determined)	Rs. 5.0245/kWh
Fuel Charges Variation for the month of November 2011 (Increase)	Rs.1.1701/kWh

Note: The assessed fuel charges adjustment of Rs.1.1701/kWh for the month of November 2011 is lower by Rs.0.9565/kWh than the adjustment of Rs.2.1267/kWh for the month of October 2011; therefore, effectively there will be a decrease of Rs.0.9565/kWh in the bill of the consumers on account of fuel charges adjustment as compared to the month of October 2011.

2. The above adjustment of Rs.1.1701/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 November 2011 by the XWDISCOs. XWDISCOs shall recover the fuel charges adjustment in respect of November 2011 in the billing month of July 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