



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Ataturk Avenue (East) G-5/1, Islamabad  
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Web: www.nepra.org.pk, E-mail: info@nepra.org.pk

No. NEPRA/R/TRF-100/MFPA/4277-4296

29-4-2014

1. Chief Executive Officer, FESCO, Faisalabad.
2. Chief Executive Officer, GEPCO, Gujranwala.
3. Chief Executive Officer, HESCO, Hyderabad.
4. Chief Executive Officer, IESCO, Islamabad.
5. Chief Executive Officer, LESCO, Lahore.
6. Chief Executive Officer, MEPCO, Multan.
7. Chief Executive Officer, PESCO, Peshawar.
8. Chief Executive Officer, QESCO, Quetta
9. Chief Executive Officer, SEPCO, Sukkur.
10. Chief Executive Officer, TESCO, Peshawar.

Subject: **Decision of the Authority in the matter of Fuel Charges Adjustment for the Month of March 2014 for XWDISCOs along with Notifications Thereof**

Enclosed please find herewith copy of the following decision of the Authority regarding adjustment in fuel charges in respect of Ex-WAPDA Distribution Companies for the month of March 2014 alongwith Notifications thereof:

- i) Copy of decision of the Authority (06 pages) for the month of March 2014 and Notification thereof i.e. SRO 324(I)/2014 dated 25.04.2014.

2. DISCOs are directed that while charging the fuel charge adjustment from their consumers, the Orders of the Honourable Court(s), if any, 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.

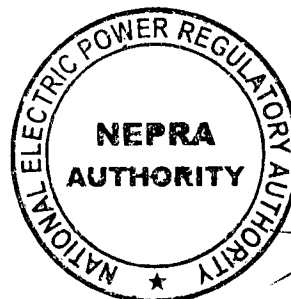
  
( Syed Safer Hussain ) 29/4/14  
Registrar

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. Registrar, Supreme Court of Pakistan, Islamabad.
8. Chief Operating Officer, CPPA, WAPDA House, Lahore.
9. General Manager, WAPDA Power Privatization Organization (WPPO) of NTDC, Lahore.
10. 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 CHARGES  
ADJUSTMENT FOR THE MONTH OF MARCH 2014 FOR EX-WAPDA DISCOS**

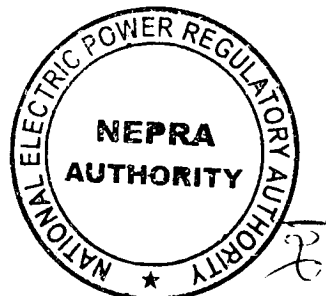
1. Pursuant to the provisions of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997, (XL of 1997) read with the mechanism/formula determined by the Authority in the tariff determinations for Ex-WAPDA DISCOs for the Financial Year 2012-13, the Authority 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 March 2014, necessary information as to the details of the actual 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 in its annual tariff determinations for ex-WAPDA DISCOS, 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 published in newspapers and also uploaded on NEPRA's Website 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 22<sup>nd</sup> April 2014 in NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad. The date of hearing was also mentioned in the advertisement published in the newspapers and on NEPRA's website whereby participation in the hearing and filing of comments/objections from any interested person was invited.
4. On the date fixed for the hearing, representatives from Central Power Purchasing Agency (CPPA), National Power Control Cell (NPCC), Sui Southern Gas Company Limited (SSGCL), Wapda Private Power Organization (WPPO), PESCO and media were present; however, neither any representative from Sui Northern Gas Pipeline Limited (SNGPL), Ministry of Water & Power and Ministry of Finance attended the hearing despite service of notice nor did anyone from the consumers attend the hearing.
5. In response to the advertisement, an objection from Mr. Shaukat Ali Kundi was received, wherein it is stated that as per NEPRA Tariff Rules, 1998 a time of 7 days may be provided to file the objections and the intervention requests.



6. The objection was duly considered by the Authority and it may be observed that said objection is totally misconceived because the process provided in Tariff Rules is meant for "determination of tariff" and not for making any sort of adjustments. It may also be mentioned that a period of at least 4 months is provided in Tariff Rules, for determination of tariff whereas for the purposes of the "fuel adjustments" the same are to be made within 7 days. Thus there may be no denial of the fact that the time period or procedure provided in Tariff Rules is not relevant for the purposes of adjustments in question. This very fact was also considered by the Honorable Lahore High Court in a case reported as 2009-CLC-1343 wherein the question pertaining to "fuel adjustments" was settled as under:-

There can be no escape from the fact that any adjustment would affect the rights of the consumers. Even if the provisions for publication of notice, intervention or participation of commentators, were not directly applicable, yet the principle of natural justice necessarily be read in every statute, and no order could be passed without affording opportunity of hearing to the persons likely to be affected.

7. Thus neither conduct of hearing nor filing of intervention requests etc is a pre-requisite for the purposes of making fuel adjustments, however, as per above referred observations of the Honorable Court, since the impact of any adjustment is to be passed on to the consumers, therefore, in order to meet the ends of natural justice, a public hearing is held before making any adjustments. The objector has not raised any objection as to the quantum of "adjustments" or any component thereof. The sole objection as to providing more time for filing any objection is without any substance and the same is rejected.
8. The Authority has gone through the information provided by CPPA seeking monthly fuel adjustments and due diligence is also done accordingly. From the perusal of the information so provided by CPPA, it has been observed that the actual pool fuel charge for the month of March 2014 is Rs. 8.9029/kWh against the reference fuel cost component of Rs. 9.9213/kWh as indicated in the Annexure-IV of the Authority's determination pertaining to the Ex-WAPDA DISCOs for FY 2012-13. The actual fuel charges for the month of March 2014 decreased by Rs. 1.0184/kWh (Annex-I&II) as compared to the reference fuel charges.
9. As per details provided by CPPA, 104.87 GWh were purchased by DISCOs from small and captive power plants during March 2014. CPPA provided actual details of energy purchased from these plants. According to the details provided by CPPA, the actual fuel cost of this energy is Rs. 1,030.89 million. For the purpose of calculation of fuel charges adjustment, fuel cost components of those plants whose cases are pending in the courts have not been considered. Accordingly for the instant adjustment, 42.46 GWh and cost of Rs. 499.57 million has been considered on account of fuel cost component of energy purchased from small and captive power plants.



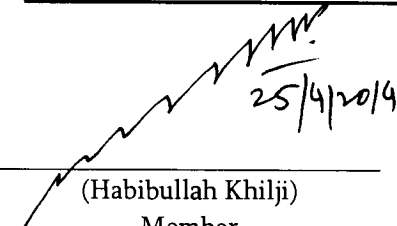
10. CPPA reported NTDC transmission losses of 89.16 GWh (1.37%) during March 2014, which are lower than the Authority's assessed transmission losses of 3% as per its determination dated 19.07.2013 in the matter of NTDC, notified vide SRO No. 886(I) 2013 dated 24.09.2013. Accordingly, actual losses i.e. 89.16 GWh (1.37%) incurred by CPPA, being lower than the Authority assessed losses, have been taken into account for the purpose of current adjustment.
11. The Authority, after incorporating the adjustment referred in Paragraph 9 above, has reviewed and assessed a decrease of Rs. 1.0146 / kWh in the applicable tariff for Ex-WAPDA DISCOs on account of variations in the fuel charges for the month of March 2014 as per the following details:

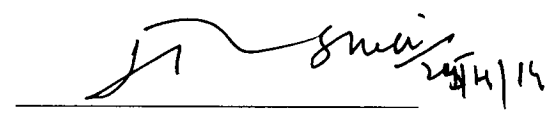
Actual Fuel Charges Component for March 2014	Rs. 8.9067/kWh
Corresponding Reference Fuel Charges Component	Rs. 9.9213/kWh
<b>Fuel Price Variation for the month of March 2014 (Decrease)</b>	<b>(Rs. 1.0146 / kWh)</b>

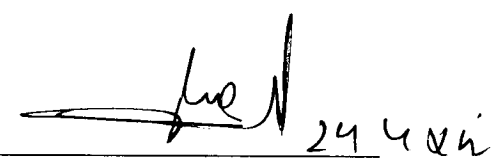
12. The adjustment as referred to in Para 11 above ;
- shall be applicable to all the consumer categories except lifeline and Agricultural Consumers of all the DISCOs;
  - shall be shown separately in the consumers' bill on the basis of units billed to the consumers in the month of March 2014.
  - DISCOs shall reflect the fuel charges adjustment in respect of March 2014 in the billing month of May 2014.
  - While affecting the Fuel Adjustment Charges, the concerned DISCOs shall keep in view and strictly comply with the orders of the courts notwithstanding this order.

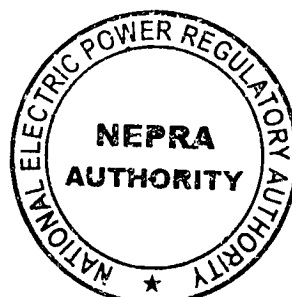
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AUTHORITY

  
(Habibullah Khilji)  
Member

  
(Maj (R) Haroon Rashid)  
Member

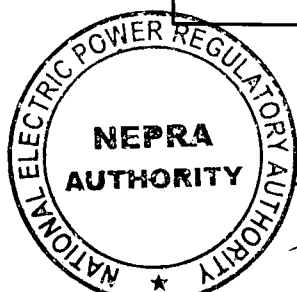
  
(Khawaja Muhammad Naem )  
Vice Chairman



**CENTRAL POWER PURCHASING AGENCY (CPPA)**  
**Energy Procurement Report (Provisional)**  
**Mar/2014**

Annex-I

S.No.	Power Producer	Fuel	Dep. Capacity (MW)	Energy KWh	FCC Rs.	VO&M Rs.	Total Energy Cost (Rs.)	
1	<i>Hydel</i>							
	i.	WAPDA	Hydel	6,612.00	1,524,737,938	-	136,814,735	136,814,735
	ii.	Jagran	Hydel	30.00	1,261,920	-	2,521,316	2,521,316
	iii.	Pehure	Hydel	17.90	2,282,400	-	650,484	650,484
	iv.	Malakand-III SHYDO	Hydel	81.46	30,141,000	-	7,535,250	7,535,250
	v.	Laralb	Hydel	84.00	45,992,000	-	8,044,001	8,044,001
<b>Hydel Total:</b>			6,825.36	1,604,415,258	-	155,565,786	155,565,786	
2	<b>Ex-WAPDA GENCOs</b>							
	<b>GENCO-I</b>							
	i.	Jamshoro Block 1	RFO	205.00	76,440,000	1,421,643,444	11,114,376	1,432,757,820
		Unit 1	Gas		5,373,673	38,789,859	781,332	39,571,191
		Jamshoro Block 2	RFO	470.00	146,936,327	3,159,909,271	21,364,542	3,181,273,813
		Kotri 3-7	Gas	106.50	18,048,000	163,019,466	2,624,179	165,643,645
		<b>Jamshoro Total</b>			798.50	246,798,000	4,783,362,040	35,884,429
	<b>GENCO-II</b>							
	ii.	Central Block 2	Gas	390	220,451,104	1,229,411,717	15,189,081	1,244,600,798
		Guddu CC 5-10	Gas	530	15,755,576	131,798,544	1,085,559	132,884,103
		Guddu Steam 3-4	Gas	340	62,054,578	415,275,441	4,275,560	419,551,001
		Central Block 4	Gas	140	31,826,442	228,195,589	2,192,842	230,388,431
		<b>Central Total</b>			1,400.00	330,087,700	2,004,681,291	22,743,043
	<b>GENCO-III</b>							
	iii.	Northern Block 1	RFO	558.00	172,726,921	3,343,662,660	4,318,173	3,347,980,833
		Northern Block 3	RFO	360.00	77,831,557	1,707,603,342	1,945,789	1,709,549,131
		<b>Northern Total:</b>			1,568.00	249,598,987	5,032,620,928	6,239,975
	<b>GENCO-IV</b>							
	iv.		Coal	31.20	11,689,000	52,598,162	1,485,672	54,083,834
		<b>Total:</b>			31.20	11,689,000	52,598,162	1,485,672
<b>GENCOs Total:-</b>			3,797.70	838,173,687	11,873,262,421	66,353,118	11,939,615,540	
3	<b>IPPs</b>							
	1	Kot Addu Block 1	RFO	325	188,700,700	2,553,784,643	85,096,961	2,638,881,604
		Kot Addu Block 2	RFO	762	237,782,800	3,627,631,057	150,941,653	3,778,572,710
		<b>KAPCO Total</b>			1,336.00	426,483,500	6,181,415,700	236,038,614
	2	Hub Power	RFO	1,200.00	594,918,600	9,665,836,540	108,353,622	9,774,190,162
	3	Kohlnoor Energy	RFO	124.00	80,499,000	1,236,454,077	46,931,609	1,283,385,686
	4	AES Lalpir	RFO	350.00	139,398,500	2,277,104,608	23,280,525	2,300,385,133
	5	Pak Gen Power Limited	RFO	348.60	180,057,500	2,992,849,864	30,070,863	3,022,920,727
	6	Southern Power	RFO	110.47	-	-	-	0
	7	Habibullah	Gas	129.15	42,879,938	205,510,680	21,212,705	226,723,385
	8	Fauji Kabirwala	Gas	151.20	107,124,000	377,751,126	78,500,442	456,251,568
	9	Rousch	Gas	395.00	316,259,067	1,558,529,922	86,783,955	1,645,313,877
	10	Saba Power	RFO	125.55	16,038,806	266,770,258	2,680,085	269,450,343
	11	Japan Power	RFO	107.00	-	-	-	0
	12	Uch	Gas	551.25	321,552,000	883,690,116	74,825,150	958,515,266
	13	Altern	Gas	27.12	14,344,810	63,079,443	9,754,471	72,833,914
	14	Liberty	Gas	211.85	9,708,600	791,597,093	3,153,017	794,750,110
	15	Davla Energen	Gas	10.00	7,755,000	35,529,533	3,855,204	39,384,737
	16	Chashma Nuclear	Nucl.	300.00	176,668,000	222,266,011	-	222,266,011
	17	Chashma Nuclear-II	Nucl.	315.00	173,288,000	240,142,510	-	240,142,510
18	Tavanir Iran	Import	96.00	31,417,137	307,573,771	-	307,573,771	
<b>Sub-Total:</b>			5,888.19	2,638,392,458	27,306,101,252	725,440,262	28,031,541,514	



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*M. Ati.*

**CENTRAL POWER PURCHASING AGENCY (CPPA)**  
**Energy Procurement Report (Provisional)**  
**Mar/2014**

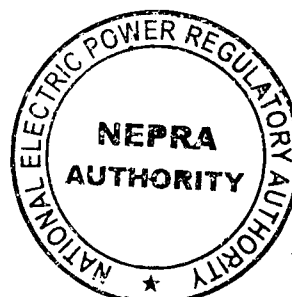
S.No.	Power Producer	Fuel	Dep. Capacity (MW)	Energy KWh	FCC Rs.	VO&M Rs.	Total Energy Cost (Rs.)	
1	Attock-Gen	RFO	156.18	111,983,554	1,594,962,501	100,550,033	1,695,512,534	
2	Atlas Power	RFO	213.86	143,394,574	2,098,668,210	126,732,124	2,225,400,334	
3	Nishat Power	RFO	195.31	138,037,480	2,039,511,132	121,997,525	2,161,508,657	
4	Foundation Power	Gas	171.48	129,447,925	604,531,066	46,847,204	651,378,270	
5	Orient	Gas	212.70	-	-	-	-	
		HSD		9,271,938	225,862,017	2,217,848	228,079,865	
6	Nishat Chunlian	RFO	195.72	118,435,181	1,751,775,622	104,424,299	1,856,199,921	
7	Saf Power	Gas	205.27	-	-	-	-	
		HSD		43,255,490	960,814,349	22,189,020	983,003,369	
8	Engro Energy	Gas	213.56	159,227,677	802,201,106	50,873,243	853,074,349	
9	Saphire Power	Gas	207.96	-	-	-	-	
		HSD		41,053,867	947,093,250	21,684,363	968,777,613	
10	Hubco Narowal	RFO	213.82	138,465,040	2,049,092,291	115,064,443	2,164,156,734	
11	Liberty Power	RFO	196.14	128,520,238	1,873,436,762	126,271,134	1,999,707,896	
12	Halmore	Gas	199.24	-	-	-	-	
		HSD		12,729,174	294,614,046	6,560,616	301,174,662	
13	Uch-II	Gas	375.20	156,723,000	-	-	-	
Sub-Total:			2,381.24	1,330,545,138	15,242,562,352	845,411,852	16,087,974,204	
IPP,s Total:-			8,269.43	3,968,937,596	42,548,663,804	1,570,852,114	44,119,515,718	
4	Others							
	I.	TPS-Quetta	Gas	25.00	(24,000)	(246,646)	(1,654)	-248,300
	II.	Zorlu	Wind	56.40	8,013,344	-	35,259	35,259
	III.	FFCEL	Wind	49.50	6,834,000	-	-	-
	IV.	SPPs	Mixed	256.90	104,872,877	1,030,899,892	-	1,030,899,892
Others Total			387.80	119,696,221	1,030,653,246	33,605	1,030,686,851	
G-Total:			19,280.29	6,531,222,762	55,452,579,271	1,792,804,623	57,245,383,895	

**Summary**

1	Hydel			1,604,415,258	-	155,565,786	155,565,786
2	Coal			11,689,000	52,598,162	1,485,672	54,083,834
3	HSD			106,310,469	2,428,383,662	52,651,847	2,481,035,509
4	F.O.			2,689,207,287	43,642,051,208	1,181,113,769	44,823,164,977
5	Gas			1,618,507,390	7,528,664,055	401,952,291	7,930,616,346
6	Nuclear			349,956,000	462,408,521	-	462,408,521
7	Import from Iran			31,417,137	307,573,771	-	307,573,771
8	Wind Power			14,847,344	-	35,259	35,259
9	Mixed			104,872,877	1,030,899,892	-	1,030,899,892
Total For The month				6,531,222,762	55,452,579,271	1,792,804,623	57,245,383,895
Prev. Adjustment				-	1,960,517,396	-	1,960,517,396
Grand Total:				6,531,222,762	57,413,096,667	1,792,804,623	59,205,901,290

**Energy Sale Price**

Energy Cost (Rs.)	57,413,096,667	1,792,804,623	59,205,901,290
Cost not chargeable to DISCOs (Rs.)	125,221,086		125,221,086
EPP (Chargeable) (Rs.)	57,287,875,581	1,792,804,623	59,080,680,204
Energy Sold (KWh)	6,434,747,803	6,434,747,803	6,434,747,803
Avg. Rate (Rs./KWh)	8.902894	0.278613	9.181507



Source Wise Generation						
Sources	March 2013		March 2014			
	Actual		Reference		Actual	
	GWh	%	GWh	%	GWh	%
Hydel	1,558.36	25.17%	1,540.46	21.70%	1,604.42	24.57%
Coal	-	0.00%	0.54	0.01%	11.69	0.18%
HSD	37.53	0.61%	157.46	2.22%	106.31	1.63%
RFO	2,607.39	<b>42.12%</b>	2,830.95	<b>39.88%</b>	2,689.21	<b>41.17%</b>
Gas	1,618.67	26.15%	2,096.46	29.53%	1,618.51	24.78%
Nuclear	222.21	3.59%	397.06	5.59%	349.96	5.36%
Import Iran	29.27	0.47%	22.01	0.31%	31.42	0.48%
Mixed	116.29	1.88%	53.02	0.75%	104.87	1.61%
Wind	0.38	0.01%	0.63	0.01%	14.85	0.23%
<b>Total</b>	<b>6,190.10</b>	<b>100.0%</b>	<b>7,098.59</b>	<b>100.0%</b>	<b>6,531.22</b>	<b>100.0%</b>
Sale to IPPs	(6.31)	-0.10%	-	0.00%	(7.32)	-0.11%
Transmission Losses	(165.01)	-2.67%	(177.46)	-2.50%	(89.16)	-1.37%
<b>Net Delivered</b>	<b>6,018.78</b>	<b>97.2%</b>	<b>6,921.12</b>	<b>97.5%</b>	<b>6,434.75</b>	<b>98.52%</b>

## Source Wise Fuel Cost/Energy Purchase Price

Sources	March 2013		March 2014			
	Actual		Reference		Actual	
	Mlns. Rs.	Rs./kWh	Mlns. Rs.	Rs./kWh	Mlns. Rs.	Rs./kWh
Hydel	121.86	0.0782	-	-	-	-
Coal	-	-	1.94	3.6118	52.5982	4.4998
HSD	832.67	22.1847	3,586.78	22.7787	2,428.3837	22.8424
RFO	44,222.94	<b>16.9606</b>	52,666.78	<b>18.6039</b>	<b>43,642.0512</b>	<b>16.2286</b>
Gas	7,828.64	4.8365	11,191.52	5.3383	7,528.6641	4.6516
Nuclear	324.13	1.4587	453.40	1.1419	462.4085	1.3213
Import Iran	292.72	10.0000	209.12	9.500	307.5738	9.7900
Mixed	1,220.68	10.4971	556.76	10.500	1,030.8999	9.8300
Wind	0.00	0.0044	-	-	-	-
<b>Total</b>	<b>54,843.64</b>	<b>8.8599</b>	<b>68,666.30</b>	<b>9.6732</b>	<b>55,452.5793</b>	<b>8.4904</b>
Supplemental Charges	331.38	0.0535	-	-	1,960.52	0.3002
Sale to IPPs	(93.19)	(14.7742)	-	-	(125.22)	(17.1104)
<b>Grand Total</b>	<b>55,081.83</b>	<b>8.8984</b>	<b>68,666.30</b>	<b>9.6732</b>	<b>57,287.88</b>	<b>8.7714</b>
Transmission Losses	(91.43)	0.2381	-	0.2480	-	0.1315
<b>Net Total</b>	<b>54,990.40</b>	<b>9.1365</b>	<b>68,666.30</b>	<b>9.9213</b>	<b>57,287.88</b>	<b>8.9029</b>

To Be Published in  
Official Gazette of Pakistan Part-II

National Electric Power Regulatory Authority



NOTIFICATION

Islamabad, the April 25, 2014


S.R.O. 324 (I)/2014: – 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 March 2014 in respect of Ex-WAPDA Distribution Companies (XWDISCOs):

Actual Fuel Charges Component for March 2014	Rs.8.9067/kWh
Corresponding Reference Fuel Charges Component	Rs.9.9213/kWh
<b>Fuel Price Variation for the month of March 2014 (Decrease)</b>	<b>(Rs.1.0146/kWh)</b>

Note: The Authority has reviewed and assessed a decrease of (Rs.1.0146 kWh) in the applicable tariff for EX-WAPDA DISCOs on account of variation in the fuel charges for the month of March 2014 as per the above details.

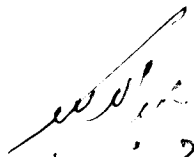
2. The above adjustment a decrease of (Rs.1.0146/kWh) shall be applicable to all the consumer categories except lifeline and agricultural consumers of all the XWDISCOs. The said adjustment shall be shown separately in the consumers' bills on the basis of units billed to the consumers in the month of March 2014 by the XWDISCOs. XWDISCOs shall reflect the fuel charges adjustment in respect of March 2014 in the billing month of May 2014.

5. While affecting the 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

25/4/14

AZ

  
25/4/14  
