



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/TRF-100/MFPA/4271-89

April 4, 2016

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 February 2016 for XWDISCOs along with Notification Thereof**

Enclosed please find herewith copy of the decision of the Authority (21 pages) regarding adjustment in fuel charges in respect of Ex-WAPDA Distribution Companies for the month of February 2016 alongwith its Notification i.e. S.R.O 276(I)/2016 dated 01.04.2016.

2. XWDISCOs are directed that while charging the fuel charge adjustment from their consumers, the Order 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 (Decision alongwith Notification is also available on NEPRA's website)

(Syed Safer Hussain)

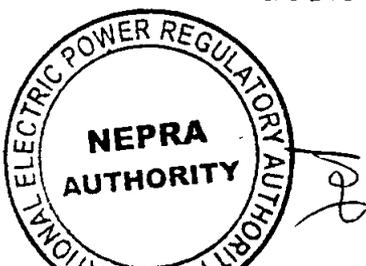
CC:

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. Registrar, Supreme Court of Pakistan, Islamabad.
8. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited
6th Floor, Shaheed-e-Millat Secretariat, Jinnah Avenue, Blue Area, Islamabad
9. General Manager, WAPDA Power Privatization Organization (WPPO) of NTDC, Lahore.



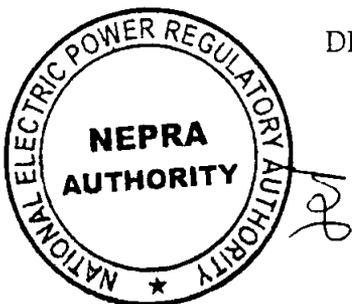
**DECISION OF THE AUTHORITY IN THE MATTER OF FUEL CHARGES ADJUSTMENT
FOR THE MONTH OF FEBRUARY 2016 FOR EX-WAPDA DISCOS**

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 2014-15, 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 February 2016, necessary information as to the details of the actual fuel charges etc. was obtained from Central Power Purchasing Agency Guarantee Limited (CPPA-G).
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 on March 24, 2016 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, the Authority decided to conduct a public hearing on the issue on March 29, 2016 at NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad. The date of hearing was mentioned in the advertisement published in newspapers and also uploaded on NEPRA's website whereby participation in the hearing and filing of comments/ objections from any interested person were invited. Separate notices were also sent to the interested / affected parties.





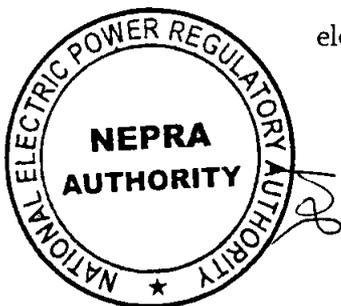
4. On the date fixed for the hearing, representatives from Central Power Purchasing Agency Guarantee Limited (CPPA-G), National Power Control Center (NPCC), NTDC and media were present; however, no representative from WAPDA Power Privatization Organization (WPPO), Sui Southern Gas Company Limited (SSGCL), Sui Northern Gas Pipelines Limited (SNGPL), Ministry of Water & Power and Ministry of Finance attended the hearing despite service of notice. Written Comments were received from M/s Anwar Kamal Law Associates (AKLA).
5. A brief of the points raised by AKLA, *inter alia*, relevant to monthly Fuel Charges Adjustment (FCA) are as under;
 - i. The projections of Fuel Prices are on the higher side while setting up of reference fuel price in consumer end tariff to favor the distribution companies to enable them to over recover from the consumers and enjoy the benefits of over-recovered amount with impunity and with no return to the consumers. AKLA in this regard has suggested to introduce the same FCA mechanism as is provided in the K-Electric Consumer end-tariff.
 - ii. NEPRA has failed to determine the consumer end tariff of DISCOs in timely manner. The late determination and notification of tariff means that the previously determined higher Tariff, which is continuously decreasing for the last three years due to decrease in oil prices in the International Market, is causing loss to the consumers and gain to the DISCOs on the principle of time value of money.
 - iii. There is delay in deciding the monthly FCAs by the Authority. The processing of FCA for the month of February 2016 beyond 7th of March 2016 is gross violation of the provisions of NEPRA Law (Section 31(4)) and is against the interest of the consumers and favors the power purchaser when DISCOs have to refund the over recovered amount to the consumers. There





is no reason for non-submission of data by CPPA-G by 5th of every month as it has the reading of electricity at 24:00 hours on the last day of the respective month and Fuel Cost Component (FCC) of each power plant has already been determined by NEPRA. FCA for August 2015 was advertised on October 05, 2015, and the hearing in the matter was held on October 8, 2015. The decision was issued on October 27, 2015, meaning thereby that DISCOs have been allowed to retain the over recovered amount for a period of more than 60 days.

- iv. That NEPRA has allowed adjustment of RLNG price without having notified mechanism.
- v. That NEPRA allowed cost of test electricity supplied by Nandipur Power Plant without financial, legal and technical scrutiny.
- vi. That NEPRA allowed the amount of GIDC in advance of its payment by the Power Purchaser to Power Producers.
- vii. That NEPRA allowed DISCOs or the Power Purchaser to retain extra amount by not extending the benefit of FCA to consumers using electricity upto 300 units.
- viii. AKLA also highlighted the issue of underutilization of power plants by submitting that it had already provided a data sheet showing the status of underutilization of Power Plants for the last five years. AKLA also stated that now it is an admitted position that available power plants were not utilized to their full capacity. Wind and Solar Power Plants have also supplied electricity to the system as shown in the generation data sheets. The cost of electricity supplied by Wind and Solar Plants is higher than the cost of electricity of the power plants (except few) which were not utilized or

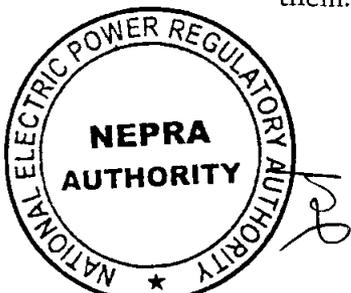


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under-utilized due to fuel constraints. The non-utilized or under-utilized power plants will get capacity payments as the nature of their PPA is take or pay, which is against the interest of the consumers on account of load shedding and is also against the interest of Country's economy.

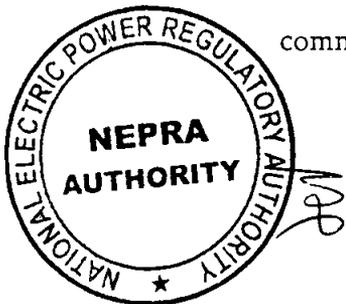
- ix. AKLA further submitted that giving dispatch to costlier plants like solar and wind without using comparatively cheaper underutilized plants is against the principle of Economic Merit Order. AKLA in this regard also submitted a plant wise utilization factor for the last twenty six months.
 - x. AKLA has also submitted that few plants have supplied electricity beyond their dependable capacity meaning thereby that these plants were over-utilized; NEPRA should check the reason for this over-utilization.
 - xi. AKLA has mentioned that huge amounts are appearing under the head of Previous Adjustments, but details of these adjustments are not given.
 - xii. AKLA has also submitted its concern regarding operation of plants on partial load and open cycle.
 - xiii. Non-supply of electricity from Saba, SEPCOL and Japan Power despite the fact that consumers have already paid the loan amount.
6. The concerns so raised by AKLA have been considered by the Authority and it is of the view that Fuel Price projections for determining of reference fuel cost component in consumer end tariff of Distribution companies, are made on the best estimates keeping in view the past trends and available national / international reports for future projections of oil prices. Since the variation in fuel prices depends upon many factors and it is not possible to apprehend and foresee all of them. In view of the aforesaid reason, the fuel price adjustment mechanism is





prescribed so that neither the consumers nor the DISCOs suffer on account of downward or upward variation in fuel prices and in case of any variation in fuel prices with that of reference prices, the same is either recovered from the consumers or benefit of the same is passed on to the consumers through monthly FCA. Therefore, the Authority considers that the AKLA's observation in this regard having no bearing on the consumers is not valid. The Authority being cognizant of the declining trend of fuel prices has already taken into account this reduction while setting up the reference fuel prices pertaining to FY 2015-16. The actual average RFO prices during the FY 2014-15 remained at around Rs. 56,121 [excluding Sales Tax and including freight] per metric ton and came to a lower level of Rs. 40,411 per metric ton. The RFO prices in Pakistan are not only affected by the international market but also by the exchange rate parity. Based on the international market condition, it can be presumed that this lower trend shall continue in the future as well, consequently, for the FY 2015-16, RFO prices have been assumed on an average of Rs.47,981 per metric ton [excluding Sales Tax and including freight] after incorporating the possible determinants of RFO prices. Similarly the HSD prices for the FY 2015-16, have been assumed on an average of Rs.61.29 per litre [excluding Sales Tax], keeping in view the declining trend of HSD price in FY 2014-15, which remained on average Rs.76.89 per litre during the FY 2014-15.

7. The Authority also noted that monthly adjustment on account of Fuel Cost variations is done in accordance with the mechanism / formula prescribed by the answering respondent and notified in the official gazette and impact of such adjustment either increase or decrease, is passed on to the consumers of electricity. The mechanism / formula is determined by the Authority through a detailed and comprehensive determination and prior to such determination, replies, comments, objections etc. were invited from any interested persons, however, the commentator did not participate in those proceedings, therefore, now the



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commentator is estopped to raise those concerns at the time of adjustment being done in accordance with the formula already settled through legal proceedings.

8. The Authority, on the issue of late determination of tariff observed that Section 16 (2) of the NEPRA Tariff Standard & Procedure Rules 1998 provides;

"The Authority shall decide a petition within four months of the date of admission of the petition:

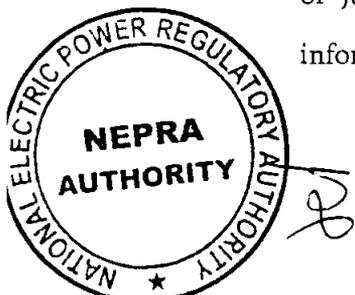
Provided that the Authority may, only for causes beyond its control including, without limitation, the failure by any person to comply with the provisions of these rules or the orders and directions of the Authority, extend the aforesaid four months period by a further period of one month:

Provided further that, the Authority shall not extend the time for its final determination in proceedings beyond an aggregate period of four months."

9. The Authority has observed that all the determinations in respect of XWDISCOs have been issued within the timelines prescribed under the Rules. Therefore the point of AKLA for delay on part of NEPRA in determination of tariff is not justified.

10. The Authority also considers that the Tariff Standard & Procedures Rules 1998 (The Rules) do not provide any time frame for submission of the Tariff Petitions. The Intervener has rightly stated that the tariff for any particular year should be determined prior to start of the year, therefore, in order to ensure timely determination of consumer end tariff, the Authority has issued the NEPRA guidelines for determination of consumer-end tariff (Methodology & Process) notified vide SRO. 34(I) 2015 dated 16.01.2015, wherein, timelines for the submission of Tariff Petitions have been prescribed.

11. The Authority has observed that there is no delay on the part of NEPRA in processing of the monthly FCA. The decision in the matter of FCA for the month of January 2015 was issued within eight working days of the submission of information by CPPA (G) and within two days of the conduct of the hearing.



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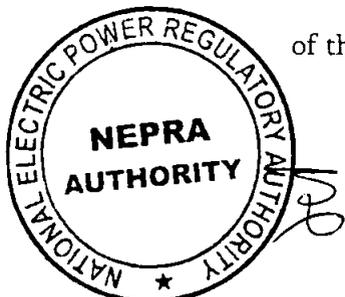


Similarly for the month of February 2016, the decision is being issued without any delay to ensure that benefit of reduction in fuel prices is passed on to the consumers in the month of April 2016.

12. The Authority also understands that neither conduct of hearing nor filing of intervention requests etc. is a pre-requisite for the purposes of making fuel charges adjustments, however, the same is being done in pursuance of the Order of the Honorable Lahore High Court, 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."

13. Since the impact of any adjustment is to be passed on to the consumers, therefore, in order to meet the ends of natural justice, public hearing is held and written / oral comments or objections are invited from the interested / affected parties before making any adjustments, which requires additional time. Thus, no unnecessary delay is involved in processing of the monthly FCA on the part of the Authority.
14. At the same time, the Authority is also cognizant of the late submission of FCA requests by CPPA-G and had issued a show cause notice to CPPA/ NTDC on August 27, 2015 under Rule 4 (8) & (9) of the NEPRA (Fines) Rules, 2002, based on the analysis of data provided by CPPA / NTDC for the period from January 2014 to April 2015. Consequent to the unsatisfactory response of CPPA/ NTDC to the show cause notice, the Authority declared NTDC/CPPA a delinquent for deliberately violating the explicit directions of the Authority regarding submission of the Fuel Price Adjustment data in the specified time period and has imposed a

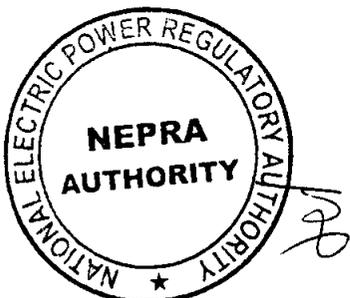


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fine of Rs.1,000,000/- (Rupees One Million Only) on CPPA/ NTDC. The Authority further during the hearing of the instant FCA request, directed CPPA (G) to ensure submission of monthly FCA data within the prescribed time period.

15. AKLA has rightly submitted that the existing determinations of the IPPs using RLNG does not provide any mechanism for RLNG usage and its consequential price adjustment. Accordingly, in order to prescribe the adjustment mechanism for determination of fuel cost component on the basis of RLNG, the Authority decided to treat request of such IPPs regarding revision of their Fuel Cost Component, based on RLNG price, as a Petition and has initiated proceedings in this regard. However, while admitting these petitions, the Authority also decided to allow immediate application for adjustment in the Fuel Cost Component on the basis of RLNG Price (Provisional), as notified by OGRA, in terms of Rule 4(7) of Tariff Standards & Procedures Rules 1998, subject to the order of refund for the protection of the consumers, while the proceedings for devising the fuel price adjustment are pending before the Authority. The adjustment has been allowed on provisional basis, subject to adjustment once the proceedings are finalized. This is to be noted that NEPRA has to protect the interest of consumers as well as the investors in terms of Section 7 (6) of the NEPR Act. Since the Fuel cost has huge financial impact, therefore, delaying the adjustment would have been unjust to the power producers. It would have resulted in shut down of the plants, which would have been against the consumers' interest.
16. On the point regarding allowing provisional fuel cost of energy delivered by Nandipur in the monthly FCA, the Authority noted that this issue has already been addressed by the Authority in its earlier FPA decisions, wherein it has been clarified that this is being done in order to protect the consumers from any sudden hike in the cost of electricity and to avoid one time burdening of the consumers.

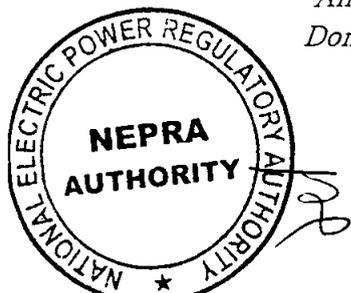




However, the issue of adjustment of Fuel cost of Nandipur has been discussed in detail in the forthcoming paragraphs of the instant decision.

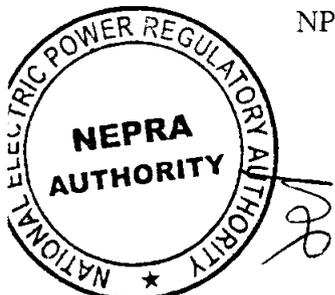
17. On the issue of deduction of GIDC amount from Fuel Charges Adjustment, the Authority noted that it has already issued its detailed decision in the matter of GIDC vide No.NEPRA/TRF-72/EPQL-2007/9672-9674 dated June 25, 2015, which is available on NEPRA's website, therefore, need not to be discussed again.
18. The Authority on the point of not passing on the benefit of negative monthly FCA to the domestic consumers using up-to 300 units of electricity, observed that although the Authority has already discussed this issue in detail in its monthly FCA decision for the month of March 2015, under para 17 to 20, wherein complete reasons / justification for the same have been provided, however, for information of the stakeholders it is again mentioned that as per the previous practice, the impact of any decrease in (negative) monthly FCA, was not passed on to the Life line and Agriculture Consumers of XWDISCOs. The same relief was adjusted by the Authority in the annual tariff determinations of XWDISCOs, through the Prior Year Adjustment mechanism, whereby the impact of such amount is adjusted in the tariff design across all the consumer categories.
19. MoWP vide its letter No.5-PF/02/2013-Subsidy dated May 21, 2015 issued the policy guidelines under Section 31 (4) of the NEPRA Act, 1997 with regard to the Fuel Charge Adjustments and subsidy rationalization of Ex-WAPDA Distribution Companies.
20. MoWP in its aforementioned policy guidelines, inter alia, mentioned that ECC of the Cabinet has been pleased to approve the issuance of the following Policy Guidelines under Section 31 (4) of the NEPRA Act, 1997 on 21.05.2015 i.e. that

"Any negative adjustment on account of monthly FCA will not be passed on to the Domestic consumers who have subsidized electricity tariff."





21. The Authority considered the policy guidelines of the GoP with respect to the Fuel Price Adjustment being consistent with the GoP Policy for phasing out the subsidy which are also consistent with the standards and guidelines as per Rule 17 of Tariff Standards and Procedure Rules -1998.
22. Accordingly, the Authority decided that any negative monthly FCA shall not be applicable to lifeline consumers, domestic consumers consuming up to 300 units and Agriculture Consumers of all the XWDISCOs, who are already getting subsidy from the Government.
23. The Authority in view of the above referred policy guidelines of GoP regarding rationalization of subsidy in the matter of XWDISCOs, has decided not to adjust the impact of negative FCA across different consumer categories, as it was doing in the past. Thus, the negative FPA impact on lifeline consumers, domestic consumers (consuming upto 300 units) and Agriculture Consumers, must be adjusted by GoP, against the overall Tariff Differential Subsidy claim, eventually reducing GOP's overall Tariff Differential Subsidy burden.
24. The Authority on the issue of plant utilization carried out a detailed analysis of the information provided by CPPA (G) for the month of February 2016, wherein it has been noted with great concern that cheaper plants were not fully utilized and resultantly expensive plants were operated which have resulted in higher pool fuel charges. The Authority in view thereof directed CPPA (G) / NPCC to explain the reasons in this regard.
25. The Authority on the point of Merit Order noted that EMO is strictly being followed in giving Power Dispatch to all thermal power plants including GENCOs and IPPs and no Power Plant is run out of merit as categorically certified by NPCC (NTDC) on monthly basis. Operational considerations have to be decided by NPCC (NTDC) for carrying out economic dispatch. The Authority, however,

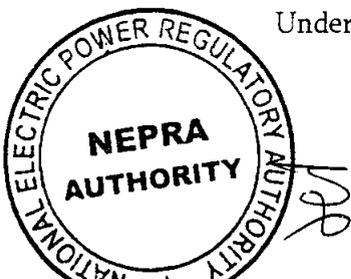




noted that the Economic Despatch Order for the Fortnight from 16-29 February 2016, available on NTDC website, shows the following foot note;

"The merit order is prepared keeping in view the environmental and economic parameters of the generating units as approved by BOD CPPA-G on Feb 18, 2016"

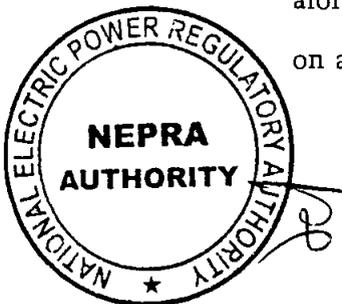
26. The Authority directs NPCC (NTDC) to explain the reasons regarding the foot note appearing on the Economic Despatch Order available on its web site which, *prima facie*, does not seem to be in accordance with the definition of Economic Despatch Order as per NEPRA Licensing Generation Rules 2000.
27. The Authority on the issue regarding details of amount appearing under head previous adjustment observed that generator wise detail of amount charged under the head previous adjustments as submitted by CPPA-G is presented during the hearing, therefore, the point raised by AKLA does not merit consideration.
28. The Authority on the issue of partial load adjustment charges noted that NPCC (NTDC) has provided a certificate to the effect that claimed Partial Loading Adjustment Charges (PLAC) are due to less demand in the system and system constraints, meaning thereby that there is no load shedding in the country, which however, is not the actual state of affairs.
29. The Authority noted that other issues highlighted by AKLA like payment of Capacity Charges, induction of non-base load high cost solar & wind power plants, grant of generation license to dual fuel (Gas & HSD) Power Plants, allowing conversion of old in-efficient power plants from RFO to Coal, GST, setting-up of imported coal power plants in mid country do not pertain to the Fuel Price Adjustment and therefore cannot be considered here.
30. The Authority, also being already cognizant of the issues raised by AKLA i.e. Underutilization of Plants, Operation of plants on partial load, non-supply of





energy from Saba, SEPCOL and Japan Power, issued certain directions to CPPA-G / NTDC whereby the Authority directed them to provide detailed explanation in this regard.

31. NPCC vide its letter No.3405-08/GM(SO)/NPCC/PC-1 dated March 25, 2016 has submitted its reply to the aforementioned direction of the Authority, which is under consideration of the Authority.
32. The Authority has gone through the information provided by CPPA-G seeking monthly fuel adjustment and due diligence is also done accordingly. From perusal of the information so provided by CPPA-G, the actual pool fuel charge for the month of February 2016 is Rs.3.6239/kWh, against the reference fuel cost component of Rs.7.2603/kWh as indicated in the Annexure-IV of the Authority's determination pertaining to the Ex-WAPDA DISCOs for FY 2014-15. The actual fuel charges for the month of February 2016 decreased by Rs.3.6364/kWh (Annex-I&II) as compared to the reference fuel charges.
33. Here it is pertinent to mention that till November 2015, in order to protect the consumers from one time burdening, the Authority, had been provisionally allowing Fuel Cost adjustment of energy delivered by Nandipur, on the basis of amount claimed by CPPA (G) in its monthly FCA data, subject to their adjustment as per actual. The Authority issued its decision in the matter of the motion for leave for the Nandipur Power Plant dated January 27, 2016, whereby the Authority determined the reference Fuel Cost Component of Rs.7.5247/kWh. Accordingly in the FCA decision of December 2015, a negative adjustment of Rs.4,889.81 million, on account of fuel cost of energy delivered by Nandipur, based on the Authority's reference Fuel Cost Component (FCC) of Rs.7.5247/kWh was allowed / passed on to the consumers. It was also decided in the aforementioned decision that once Nandipur Power Plant's monthly FCCs based on actual fuel prices, prevalent during the respective month of energy delivered,



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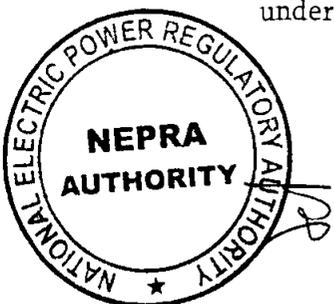


are approved by the Authority, any difference thereof, either positive or negative, will be adjusted through subsequent monthly FCAs.

34. The Authority vide its decision dated March 09, 2016, in the matter of monthly Fuel Price Adjustment of Northern Power Generation Company Ltd. (NPGCL) for the Nandipur Power Project, determined to adjust the Fuel Cost of energy delivered by Nandipur, prior to its Commercial Operation Date (COD), in the Project cost of Nandipur at the time of COD adjustments. The Authority also revised the FCC of Nandipur Power Plant post COD i.e. from August 2015 to February 2016 on fortnightly basis, based on the actual fuel price prevailing in the respective month as under;

Revised Fuel Cost Component of Nandipur Power Plant		
Month	1st Fortnight (Rs/kWh)	2nd Fortnight (Rs/kWh)
Aug-15	8.2174	-
Sep-15	-	-
Oct-15	6.5838	7.2013
Nov-15	6.8125	6.6788
Dec-15	-	6.0641
Jan-16	4.9973	4.8563
Feb-16	4.4222	4.9180

35. CPPA-G in its instant FCA request for the month of February 2016 did not make any adjustment in respect of the fuel cost of Nandipur Power Plant pertaining to the previous months based on the aforementioned decision of the Authority dated March 09, 2016.
36. In view thereof, the Authority has decided to provisionally adjust the fuel cost of the total energy delivered by Nandipur in the National Grid, including energy delivered prior to COD, based on the Authority's decision of March 09, 2016 as under;

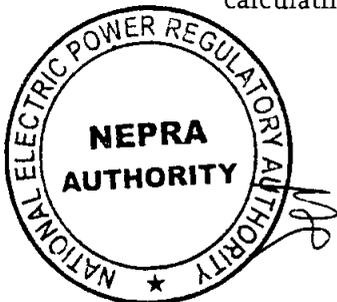




Nandipur Project of NPGCL						
Month	Energy Delivered GWH	Cost already allowed (based on FCC of Rs.7.5247/kWh)	FCC 1st FN (as per Decision of March 09, 2016)	FCC 2nd FN (as per Decision of March 09, 2016)	Cost to be allowed (Avg. of rates - 1st FN & 2nd FN)	Adjustment to be made (Provisional)
Uptill Jan 2015	92.90	699.06	-	-	-	(699.06)
Feb-15	16.50	124.13	-	-	-	(124.13)
Mar-15	36.47	274.44	-	-	-	(274.44)
Apr-15	43.13	324.51	-	-	-	(324.51)
May-15	34.65	260.72	-	-	-	(260.72)
Jun-15	33.83	254.55	-	-	-	(254.55)
Jul-15	152.03	1,143.97	-	-	-	(1,143.97)
Aug-15	60.56	455.70	8.2174	-	497.65	41.95
Sep-15	-	-	-	-	-	-
Oct-15	40.00	300.96	6.5838	7.2013	275.67	(25.28)
Nov-15	127.90	962.39	6.8125	6.6788	862.75	(99.64)
Dec-15	135.71	1,021.15	-	6.0641	822.94	(198.21)
Jan-16	183.70	1,366.04	4.9973	4.8563	905.03	(461.02)
Feb-16	104.72	715.78	4.4222	4.9180	489.05	(226.72)
	1,062.08	7,903.391		-	3,853.091	(4,050.30)

37. The aforementioned adjustment amount of Rs.4,050.30 million has been worked out provisionally by applying average of the approved FCC for the 1st and 2nd Fortnight (FN), for the respective month, where applicable, since the information regarding energy delivered by Nandipur for each fortnight of the month is not provided by CPPA-G in its monthly FCA request. CPPA-G is directed to work out the actual adjustment amount of Nandipur Plant in light of the Authority's aforementioned decision of March 09, 2016 so that any difference thereof, either positive or negative, is adjusted in the next month's FCA request.

38. CPPA-G has also claimed an amount of Rs.448.887 million on account of Fuel Cost of energy delivered by Engro Energy for the month of February 2016. However, as per the data sheet provided by CPPA-G, no energy has been generated by Engro Energy during the month of February 2016. No supporting evidence and / or detailed working for the aforementioned amount has been provided in this regard. Accordingly the cost of Rs.448.887 million has not been accounted for while calculating the total fuel cost for the month of February 2016. CPPA-G is directed

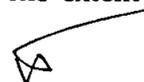


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to provide the supporting evidence along-with the detailed working of the claimed amount with its next FCA request for consideration of the Authority.

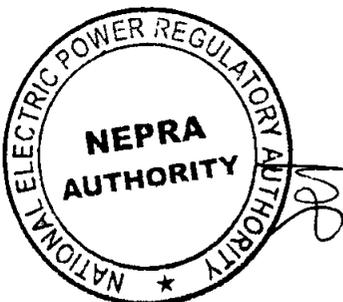
39. As per details provided by CPPA-G, 30.288 GWh were purchased by XWDISCOs from small and captive power plants. CPPA-G provided actual details of energy purchased from these plants. According to the details provided by CPPA-G, the actual fuel cost of this energy is Rs.217.38 million, however, the same works out to be Rs.201.745 million as per NEPRA approved rates. Accordingly for the instant adjustment, cost of Rs.201.745 million has been considered on account of fuel cost component of energy purchased from small and captive power plants. Further, the fuel cost of RYK (Bagasse) Power Plant, has been adjusted as per the Authority's allowed FCC.
40. CPPA-G reported NTDC transmission losses of 189.85 GWh i.e. 2.97% during February 2016, 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, for calculation of FCA for February 2016, actual losses of 189.85 GWh i.e. 2.97% incurred by CPPA-G, being lower than the Authority assessed losses, have been taken into account for the purpose of current adjustment.
41. The Authority observed that CPPA-G in its instant monthly FCA request has claimed Transmission losses as a percentage of the total energy generated for the month including the energy generated by those power plants which are directly connected to XWDISCOs network.
42. The Authority had been directing CPPA-G, in its previous FCA decisions, to work out its losses only to the extent of electricity transmitted through NTDC network. CPPA-G in response to the Authority's direction, vide its letter dated February 01, 2016 has provided detail of losses, worked out only to the extent of electricity





transmitted through NTDC network. As per the detail submitted by CPPA-G, losses have been worked out as 3.30%, 3.74% and 4.07% for the months of October, November and December 2015 respectively. In view thereof, the Authority in its FCA decision of January 2016 directed CPPA-G to adjust the impact of these additional losses from October to December 2015 and January 2016 in its FCA request of February 2016.

43. GM (Technical) NTDC on the point of losses during hearing of the instant petition tried to explain the reasons for calculating losses as a percentage of the total energy i.e. including the energy generated by those power plants which are directly connected to XWDISCOs network. The Authority however directs NTDC to submit its reasoning in writing in this regard for Authority's consideration.
44. The Authority while reviewing the plant utilization data for the instant month has noted with great concern that cheaper plants were not fully utilized and resultantly expensive plants have been operated which have resulted in higher pool fuel charges. The Authority in view thereof directs CPPA (G) / NPCC to explain the reasons in this regard.
45. The Authority had issued several directions to CPPA-G and NTDC during the hearings and in its monthly FCA decision of December 2015 and January 2016 as mentioned hereunder;
 - i. To provide real time access of NPCC's data to the Authority.
 - ii. To provide details of fortnightly Merit Order effective August 2015.
 - iii. To explain the reasons for non-utilization of cheaper plants at their optimum capacity and for running high cost HSD plants whereas certain cheaper plants were not completely utilized

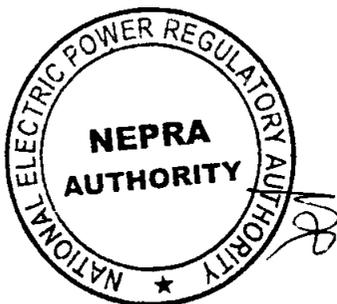


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- iv. To provide load of the remaining power plants for every hour in which HSD power plants were run both for the months of December 2015 and January 2016.
 - v. To explain the reasons for carrying out load shedding in the country, if the power plants were operated on partial load due to less demand in the system, as certified by NPCC.
 - vi. To provide detail of plants which could not be run due to Transmission constraints.
 - vii. To provide month wise working / calculation of Rs.3,887.43 million adjustment made in the matter of NPGCL during December 2015.
 - viii. To resolve the disputes with Japan, Saba and SEPCOL power plants.
46. NPCC vide its letter No.3405-08/GM(SO)/NPCC/PC-1 dated March 25, 2016 has submitted its reply to the aforementioned directions of the Authority. Since adjustment on account of fuel charges variation is a time bound case, therefore, considering the time constraints, the aforementioned response of NPCC will be addressed separately to avoid any delay in passing on the benefit of the instant negative adjustment to the consumers. The adjustment of February 2016 is to be reflected in the billing month of April 2016.
47. The Authority, after incorporating the aforementioned adjustments, has reviewed and assessed a decrease of Rs.4.3646/kWh in the applicable tariff for XWDISCOs on account of variations in the fuel charges for the month of February 2016 as per the following details:

Actual Fuel Charges Component for February 2016	Rs. 2.8957 /kWh
Corresponding Reference Fuel Charges Component	Rs. 7.2603/kWh
Fuel Price Variation for the month of February 2016-Decrease	(Rs.4.3646/kWh)

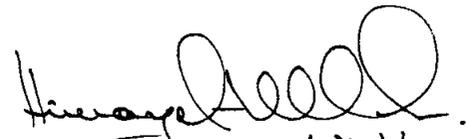




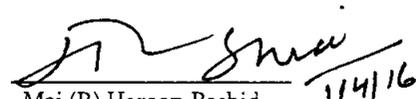
48. In view of the aforementioned, the Authority has decided that adjustment as referred to in Para 47 above ;
- Shall be applicable to all the consumer categories except lifeline consumers, domestic consumers consuming up-to 300 units and Agriculture Consumers of all the XWDISCOs. It is hereby clarified that negative adjustment on account of monthly FCA is also applicable to the domestic consumers having Time of Use (ToU) meters irrespective of their consumption level. In case such adjustments have not been passed on to the domestic consumers, having ToU meters, in the past, the respective XWDISCOs are hereby directed to pass on the same to such consumers in their monthly bills.
 - Shall be shown separately in the consumers' bill on the basis of units billed to the consumers in the month of February 2016.
 - XWDISCOs shall reflect the fuel charges adjustment in respect of February 2016 in the billing month of April 2016.
 - While affecting the Fuel Adjustment Charges, the concerned XWDISCOs shall keep in view and strictly comply with the orders of the courts notwithstanding this order.

AUTHORITY

Khawaja Muhammad Naeem
Member


Himayat Ullah Khan
Member
1.4.16.

Syed Masood-ul-Hassan Naqvi
Member


Maj (R) Haroon Rashid
Vice Chairman
1/4/16




Brig (R) Tariq Sadozai
Chairman
1/4/16


01.04.16

CENTRAL POWER PURCHASING AGENCY (CPPA)
Energy Procurement Report (Provisional)
Feb-2016

S.No.	Power Producer	Fuel	Dep. Capacity (MW)	Energy KWh	FCC Rs.	VO&M Rs.	Total Energy Cost (Rs.)	
1	Hydro							
	1	WAPDA	Hydro	6,902.00	2,122,664,561	-	184,393,747	184,393,747
	2	Jagran	Hydro	30.00	1,482,960	-	3,321,236	2,921,236
	3	Pohute	Hydro	17.50	(124,920)	-	(36,602)	-36,602
	4	Masthead-M SHYDO	Hydro	81.46	29,328,900	-	7,332,250	7,332,250
	5	Larabi	Hydro	84.00	68,836,000	-	11,632,026	11,632,026
Hydro Total:			7,115.58	2,213,256,711	-	208,243,666	208,243,666	
2	E-WAPDA GENCOs							
	GENCO-I							
	1	Jamshoro Block 1	RFO	205.00	72,070,508	386,078,263	6,666,521	394,742,774
	2	Jamshoro Block 2	RFO	470.00	36,060,862	221,142,066	3,338,686	224,477,558
	3	Unit 2-4	Gas		123,789,996	1,640,866,538	11,481,500	1,882,016,539
	4	Kohli 3-7	Gas	186.50	16,711,520	116,311,648	1,463,318	117,764,964
	Jamshoro Total:			768.50	247,642,526	1,768,084,999	22,906,933	1,788,001,832
	GENCO-II							
	5	Guido CC 11-13	Gas	380	81,117,976	460,000,625	3,822,022	481,623,847
	6	Central Block 2	Gas	390	120,161,766	787,387,122	8,278,456	866,645,678
7	Guido CC 6-18	Gas	530	138,970	1,363,418	9,575	1,382,994	
8	Guido 747	Gas	747	139,782,393	678,566,180	38,518,516	717,204,899	
Central Total:			2,147.00	311,170,893	1,925,457,546	60,328,568	1,986,786,114	
3	GENCO-III							
	1	Northern Block 1	RFO	558.00	137,168,461	899,010,712	17,831,589	816,843,611
	2	MG Unit 1-3	Gas					0
	3	Northern Block 2	RFO	270.00	86,926,858	540,781,819	11,179,361	641,952,177
	4	MG Unit 4	Gas					8
	5	Northern Block 2	RFO	380.00	72,662,591	529,738,535	8,431,872	639,179,519
	6	JTPS FSD 6 S	Gas	117.00	10,018,573	80,268,329	1,202,427	61,678,757
	7	Nandipur	RFO HSD	411.36	104,728,000	718,776,570	74,078,928	799,658,498
	Northern Total:			1,976.36	410,386,641	2,745,878,066	113,815,487	2,859,391,553
	8	GENCO-IV	Coal	31.20	6,127,000	33,070,475	651,642	23,722,118
Total:			31.20	6,127,000	23,070,475	651,642	23,722,118	
GENCOs Total:			5,381.05	874,328,354	6,479,189,086	187,702,830	6,887,301,718	
3	IPPs							
	1	Kul Abdu Block 1	RFO	328	166,433,708	747,351,994	75,780,181	823,132,175
			Gas		48,806,800	307,940,280	11,971,312	319,911,692
		Kul Abdu Block 2	RFO	762	133,983,309	958,890,388	89,863,547	744,744,044
			Gas		7,086,200	52,479,887	2,178,750	84,668,617
	KAPCO Total:			1,358.00	283,078,000	1,768,862,559	175,780,870	1,942,443,429
	2	Hull Power	RFO	1,200.00	546,134,408	2,872,810,584	88,927,375	2,789,737,973
	3	Kohatower Energy	RFO	124.00	60,288,008	281,775,038	36,662,281	319,435,319
	4	AES Lalpur	RFO	360.00	180,397,608	772,193,185	26,491,926	797,644,211
	5	Pak Gen Power Limited	RFO	348.90	132,884,000	708,888,922	22,623,536	731,382,358
	6	Southern Power	RFO	118.47				
	7	Hafidkot	Gas	128.16	5,032,917	28,706,513	2,627,763	31,233,376
	8	Faisal Kohatwala	Gas	181.20	81,865,269	483,583,793	68,429,514	652,023,217
	9	Rawach	Gas	389.00	104,902,258	733,381,200	39,074,829	772,456,029
	10	Saha Power	RFO	126.68				
	11	Japan Power	RFO	107.00				
	12	Uch	Gas	661.28	317,444,008	874,880,928	75,012,817	848,902,648
	13	Aharb	Gas	27.12	4,971,639	32,573,641	1,174,706	33,747,837
14	Liberty	Gas	311.86	69,528,700	424,681,668	38,551,168	483,242,724	
15	Davis Energy	Gas	16.00	356,000	2,336,900	174,198	2,810,099	
16	Chashma Nuclear	Nucl	308.00	180,575,000	239,743,350		239,743,360	
17	Chashma Nuclear-R	Nucl	318.00	213,777,000	228,581,748		228,581,748	
18	Tarapur Iran	Import	88.00	32,694,400	346,454,640		346,454,640	
Sub-Total:			8,888.19	2,293,338,166	6,567,299,487	581,329,366	10,174,528,553	



CENTRAL POWER PURCHASING AGENCY (CPPA)
Energy Procurement Report (Provisional)
Feb-2018

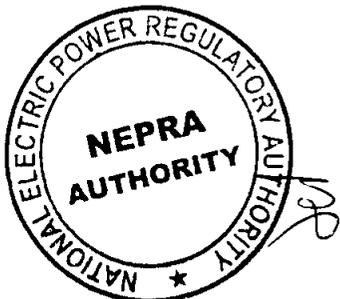
S No	Power Producer	Fuel	Dep. Capacity (MW)	Energy KWh	FCC Rs.	VO&M Rs.	Total Energy Cost (Rs.)
1	Attock-Gas	RFO	184.18	78,810,838	374,006,820	70,842,358	344,849,178
2	Attaq Power	RFO	213.68	82,633,680	378,777,808	74,990,088	453,767,896
3	Mahat Power	RFO	186.31	78,784,884	407,464,016	88,756,388	476,210,388
4	Foundation Power	Gas	171.48	43,087,848	264,888,743	18,814,817	270,803,280
5	Ortost	Gas	212.70	47,184,182	338,881,888	9,988,748	348,880,336
6	Mahat Chumian	RFO	186.72	82,976,054	324,518,014	87,007,734	381,526,748
7	Saif Power	Gas	203.88	52,778,584	382,058,628	388,288,808	780,387,220
8	Engro Energy	Gas	212.98	-	448,887,388	-	448,887,388
9	Sapphire Power	Gas	283.17	48,843,960	298,182,388	14,800,813	310,793,008
10	Mulock-Narawal	RFO	213.82	74,188,287	388,877,324	83,888,418	429,836,750
11	Liberty Power	RFO	186.14	82,148,138	320,807,488	82,880,964	383,888,370
12	Mahoro	Gas	188.24	48,828,818	322,818,888	18,888,088	339,217,388
13	Uch-II	Gas	388.78	134,483,288	878,478,782	28,827,388	707,404,110
14	JOW-I	Bagasse	28.38	13,447,800	77,881,878	8,778,178	83,370,888
15	JOW-II	Bagasse	28.38	13,814,818	78,888,023	8,880,188	84,408,220
16	RYK	Bagasse	24.01	12,801,380	77,888,188	8,843,888	83,888,888
17	Chinnat Power	Bagasse	82.48	21,888,338	124,887,818	10,818,838	133,817,888
Sub-Total:			2,831.95	863,127,888	8,198,818,102	698,820,537	6,098,839,839
EPP's Total:			8,720.14	3,128,484,135	14,788,028,888	1,481,148,903	18,289,178,482
Others							
L	TPS Quetta	Gas	25.00	(34,800)	(292,408)	(2,343)	-284,743
M	Zorko	Wind	98.40	7,342,980	-	-	0
N	FPCEL	Wind	40.50	8,318,008	-	-	-
O	IOF	Wind	40.50	7,188,100	-	-	-
P	Foundation	Wind	49.50	19,341,540	-	-	-
Q	Sapphire Wind Power	Wind	49.50	9,188,480	-	-	-
R	Quaid-e-Azam Solar Park	Solar	100.00	13,834,380	-	34,220,873	34,220,873
S	SPPs	Mixed	256.90	30,288,882	217,377,483	-	217,377,483
Others Total:			638.30	83,382,592	217,485,083	34,228,330	281,303,384
G-Total:			21,852.89	6,387,432,102	21,475,312,739	1,908,314,518	23,384,827,258

Summary

1	Hydel			2,213,268,711	-	208,243,658	208,243,658
2	Coal			8,127,800	23,070,478	681,842	23,722,118
3	HSD			3,441,381	40,687,480	1,373,713	41,958,173
4	F.O.			2,133,002,428	11,207,818,868	983,170,132	12,078,888,888
5	Gas			1,480,280,880	9,812,988,482	778,884,105	8,588,888,888
6	Nuclear			484,382,800	488,338,088	-	488,338,088
7	Import from Iran			32,884,400	348,484,840	-	348,484,840
8	Wind Power			38,293,980	-	-	0
9	Solar			13,834,380	-	34,220,873	34,220,873
10	Bagasse			81,888,240	388,704,888	27,881,588	388,888,188
11	Mixed			30,288,882	217,377,483	-	217,377,483
Total For The Month:				8,387,432,192	21,475,312,739	1,908,314,518	23,384,827,258
Price Adjustment:				-	1,058,177,318	(2,484,240)	1,068,773,088
Grand Total:				8,387,432,193	22,534,490,048	1,906,810,278	24,441,400,328

Energy Sale Price

Energy Cost (Rs.)	22,534,490,048	1,906,810,278	24,441,400,328
Cost not chargeable to DISCOs (Rs.)	81,384,310	-	81,384,310
EPP (Chargeable) (Rs.)	22,483,125,738	1,906,810,278	24,390,038,018
Energy Sold (KWh)	8,204,133,388	8,204,133,388	8,204,133,388
Avg. Rate (Rs./KWh)	3.623895	0.307361	3.931256



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12/03/18

Source Wise Generation						
Sources	FEBRUARY 2015		FEBRUARY 2016			
	Actual		Reference		Actual	
	GWh	%	GWh	%	GWh	%
Hydel	1,957.18	33.40%	2,015.20	30.47%	2,213.26	34.60%
Coal	18.35	0.31%	10.05	0.15%	5.13	0.08%
HSD	105.64	1.80%	125.53	1.90%	3.44	0.05%
RFO	1,933.36	33.00%	2,406.91	36.39%	2,133.00	33.34%
Gas	1,252.60	21.38%	1,579.04	23.88%	1,460.28	22.83%
Nuclear	409.49	6.99%	337.66	5.11%	404.35	6.32%
Import Iran	28.12	0.48%	32.11	0.49%	32.68	0.51%
Mixed	117.52	2.01%	92.40	1.40%	30.29	0.47%
Wind	36.81	0.63%	13.06	0.20%	39.29	0.61%
Baggasse	-	0.00%	1.77	0.03%	61.87	0.97%
Solar	-	0.00%	-	0.00%	13.83	0.22%
Total	5,859.07	100.00%	6,613.74	100.00%	6,397.43	100.00%
Sale to IPPs	(3.23)	-0.06%	-	0.00%	(3.45)	-0.05%
Transmission Losses	(87.09)	-1.49%	(198.41)	-3.00%	(189.85)	-2.968%
Net Delivered	5,768.74	98.46%	6,415.32	97.00%	6,204.133	96.98%

Source Wise Fuel Cost/Energy Purchase Price

Sources	FEBRUARY 2015		FEBRUARY 2016			
	Actual		Reference		Actual	
	Mlns. Rs.	Rs./kWh	Mlns. Rs.	Rs./kWh	Mlns. Rs.	Rs./kWh
Hydel	-	-	-	-	-	-
Coal	82.55	4.4998	36.30	3.6118	23.07	4.4998
HSD	1,640.07	15.5253	2,429.28	19.3522	40.56	11.7853
RFO	16,236.47	8.3981	34,212.42	14.2142	11,207.82	5.2545
Gas	6,133.95	4.8970	8,163.18	5.1697	8,813.00	6.0351
Nuclear	484.01	1.1820	446.44	1.3221	468.34	1.1582
Import Iran	286.87	10.2000	338.75	10.550	346.45	10.6000
Mixed	979.12	8.3316	940.67	10.18005	217.38	7.1769
Wind	-	-	-	-	-	-
Baggasse	-	-	10.2174	5.7702	358.70	5.7978
Solar	-	-	-	-	-	-
Total	25,843.05	4.4108	46,577.25	7.0425	21,475.31	3.3569
Supplemental Charges	900.02	0.1536	-	-	1,059.18	0.1656
Sale to IPPs	(70.65)	(21.8517)	-	-	(51.36)	(14.9003)
Grand Total	26,672.42	4.5523	46,577.25	7.0425	22,483.13	3.5144
Transmission Losses	-	0.0713	-	0.2178	-	0.1095
Net Total	26,672.42	4.6236	46,577.25	7.2603	22,483.13	3.6239

**To Be Published in
Official Gazette of Pakistan Part-II**

National Electric Power Regulatory Authority



NOTIFICATION

Islamabad, the April 1, 2016

S.R.O. 276 (I)/2016: – 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 charges for the month of February 2016 in respect of Ex-WAPDA Distribution Companies (XWDISCOs):

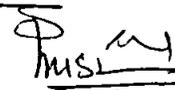
Actual Fuel Charges Component for February 2016	Rs. 2.8957/kWh
Corresponding Reference Fuel Charges Component	Rs. 7.2603/kWh
Fuel Price Variation for the month of February 2016 - (Decrease)	(Rs. 4.3646 /kWh)

Note: The Authority has reviewed and assessed a decrease of (Rs. 4.3646/kWh) in the applicable tariff for XWDISCOs on account of variation in the fuel charges for the month of February 2016 as per the above details.

2. The above adjustment a decrease of (Rs.4.3646/kWh) shall be applicable to all the consumer categories except lifeline consumers, domestic consumers consuming upto 300 units and agriculture consumers of all the XWDISCOs. It is hereby clarified that negative adjustment on account of monthly Fuel Cost Adjustment (FCA) is also applicable to the domestic consumers having Time of Use (ToU) meters irrespective of their consumption level. In case such adjustments have not been passed on to the domestic consumers, having ToU meters, in the past, the respective XWDISCOs are hereby directed to pass on the same to such consumers in their monthly bills.

3. 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 2016 by the XWDISCOs. XWDISCOs shall reflect the fuel charges adjustment in respect of February 2016 in the billing month of April 2016.

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


01.04.16
(Syed Safer Hussain)
Registrar
Muhammad 7