



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/TRF-100/MFPA *1153 - 69*

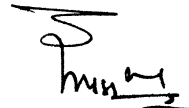
July 26, 2010

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.

Subject: Decision of the Authority in the matter of Fuel Price Adjustment for the Month of June 2010 for XWDISCOs and Notification of the Decision (S.R.O. 683(I)/2010 dated 26.07.2010)

Enclosed please find a copy of decision of the Authority in respect of fuel price adjustment for the month of June 2010 in respect of Ex-WAPDA Distribution Companies, along with its Notification (S.R.O.683(I)/2010 dated 26.07.2010). This is for information and further necessary action accordingly.

Enclosure: As above.


(Syed Safer Hussain)

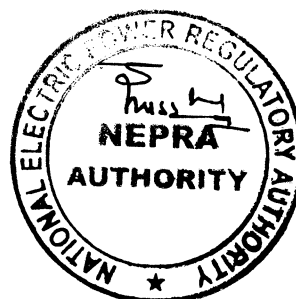
CC:

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. Chief Executive Officer, 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 ADJUSTMENT CHARGES
FOR THE MONTH OF JUNE 2010 FOR XWDISCOS**

1. Pursuant to the amendment in Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997, (XL of 1997) and as per mechanism for monthly fuel price adjustment prescribed by NEPRA in the 1st quarterly tariff determination for the Ex-WAPDA Distribution Companies duly notified in the official Gazette, the Authority has to review the fuel charges on monthly basis in the approved tariff on account of any variation whatsoever.
2. In order to carry out the above-said adjustments pertaining to the tariff of XWDISCOS for the month of June, 2010, necessary information as to the details of payments on account of fuel charges was obtained from the Central Power Purchasing Agency (CPPA).
3. Notwithstanding the fact that the monthly adjustments on account of fuel charges variations are accounted for in accordance with the mechanism/formula prescribed by the Authority and notified in the official gazette by the Federal Government; yet the impact of such adjustments, if any, is passed on to the consumers of electricity, therefore, in order to meet with the ends of natural justice, the Authority decided to provide an opportunity of hearing to all concerned while reviewing the fuel charges.
4. A date of hearing for the aforesaid purpose was fixed as 26th of July, 2010 in the NEPRA main office; notice thereof was published in two leading national newspapers on 20th July 2010 inviting comments/objections from the concerned persons.
5. On the date fixed for hearing, representatives from Central Power Purchasing Agency (CPPA), Wapda Private Power Organization (WPPO) and National Planning & Control Cell (NPCC) were present, however, no representative from Ministry of Water & Power (GoP) and Ministry of Finance attended the public hearing despite the service of notice. Further no objections/comments were filed by any consumer of electricity.
6. The information provided by CPPA has been examined and it is observed that for the month of June 2010 the pool fuel charges increased by Rs. 1.02/kWh (Annex-I&II) as compared to the reference fuel charges, i.e., Rs. 4.28/KWh as indicated in the Annexure-IV of the Authority's determination pertaining to the 1st Quarter of FY-2009-10. The main attributors to the increase in fuel charges component are increase in



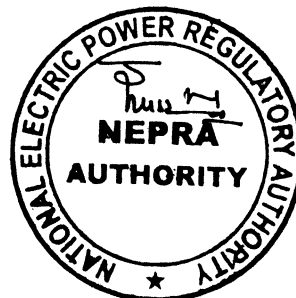
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generation on furnace oil, supplemental charges under PPA and increased transmission losses.

7. The Authority noted that the supplemental charges under PPAs included an amount of Rs. 2,577 million on account of markup on delayed payment to IPPs. The Authority in its earlier decisions disallowed this cost and in its opinion the consumers who pay their bills in time cannot be burdened with the markup on delayed payment to IPPs. Accordingly, the Authority in line with its previous decisions has decided to disallow the markup cost of Rs. 2,577 million to be passed on to the consumers. In this regard the impact of markup cost of Rs. 0.30/kWh is disallowed.
8. The Authority further noted that during June 2010 NTDC claimed 3.8% transmission losses against the determined losses of 2.5% as per the Authority's determination dated 6th January 2006 (Case No. NEPRA/TRF-45/NTDC-2005). The Authority considers that the claimed transmission losses by NTDC are not consistent with the Authority's determination hence cannot be passed on to the consumers as such. The Authority has, therefore, decided to restrict the NTDC losses to 2.5% in accordance with its determination; accordingly the impact of Rs. 0.08/kWh on this account is also disallowed to be passed on to the consumers.
9. The Authority has, therefore, reviewed and assessed Rs. 0.64/kWh towards fuel charges adjustment for the month of June 2010 as per the following:

Actual Fuel Charges Component for June 2010	Rs. 4.92/kWh
Corresponding Reference Fuel Charges Component (Determined) for the month of June 2010	Rs. 4.28/kWh
Fuel Charges Variation for the month of June 2010	Rs. 0.64/kWh

10. The reviewed fuel adjustment charges of Rs.0.64/kWh for the month of June 2010 is lower by Rs. 0.27/kWh than the adjustment of Rs. 0.91/kWh for the month of May 2010; therefore, effectively there will be a decrease of Rs. 0.27/kWh in the bill of the consumers on account of fuel adjustment charges as compared to the month of May 2010.



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11. In the light of the observations made in paragraphs 7 and 8 above, the Authority directs CPPA to revise accordingly the fuel charges component invoiced to the distribution companies.
12. The above adjustment as referred to in Para 9 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 consumer in the month of June 2010.

AUTHORITY

(Zafar Ali Khan)
Member

(Maqbool Ahmad Khawaja)
Member

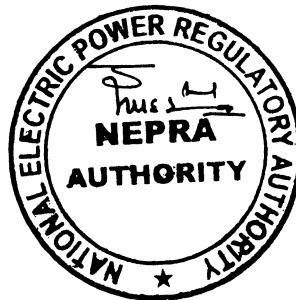
(Shaukat Ali Kundi)
Member

26.07.2010

(Ghiasuddin Ahmed)
Member/Vice Chairman

26/7

(Khalid Saeed)
Chairman



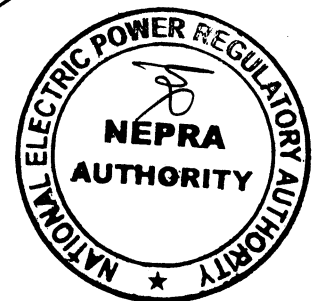
**CENTRAL POWER PURCHASING AGENCY (CPPA)
Energy Procurement Report (Provisional)**

Annex-I

Jun, 2010

S.No.	Power Producer	Fuel	Dep. Capacity MW	Energy KWh	Total Energy Cost (Rs.)	
1	<i>Hydel</i>					
	i. WAPDA	Hydel	6444	3,076,273,969	949,845,774	
	ii. Jagran	Hydel	30	17,637,210	35,239,146	
	iii. Malakund-III SHYDO	Hydel	81.46	38,546,800	181,403,112	
	Hydel Total:		6555.46	3,132,457,979	1,166,288,032	
2	Ex-WAPDA GENCOs					
	i. GENCO-I					
	Jamshoro Block 1	RFO		61,154,714	695,870,561.4	
	Jamshoro Block 2	RFO		119,517,715	1,562,580,166	
	Unit 2-4	Gas		140,504,576	692,518,957	
	Kotry 3-7	Gas		54,650,030	229,732,798	
	Kotry 1-2	Gas	798.5	1,128,970	9,357,017	
	Prev. Adjustment			-	0	
		Jamshoro Total		798.5	376,956,005	3,190,059,499
	ii. GENCO-II					
	Guddu CC 11-13	Gas	390	103,923,922	346,045,875	
	Central Block 2	Gas		43,761,370	145,716,609	
	Guddu CC 5-10	Gas	530	170,107,718	628,037,695	
	Central Block 3	RFO		6,604,976	84,492,835	
	Guddu Steam 3-4	Gas	340	126,199,268	557,371,687	
	Guddu Steam 1-2	Gas	140	54,257,046	256,473,056	
	Prev. Adjustment			-	0	
		Central Total	1400	504,854,300	2,018,137,757	
	iii. GENCO-III					
	Northern Block 1	RFO		201,508,191	2,360,296,911	
	MG Unit 1-3	Gas		120,323	514,152	
	Northern Block 2	RFO		120,328,199	1,398,898,223	
	Northern Block 3	RFO		68,560,320	883,364,104	
	MG Unit 5-6	Gas		925,084	4,452,059	
	Northern Block 4	F.O.		-	0	
	GTPS FSD 5-9	GAS		51,022,252	173,939,959	
		HSD	1,568	1,972,273	31,037,660	
	Northern Block 5	RFO		37,321,000	579,036,280	
	SPS FSD 1-2	GAS		-	0	
	Northern Block 6	RFO		-	0	
	GTPS FSD 1-4	GAS		10,582,475	64,298,060	
	Northern Block 7	RFO		14,273,300	217,025,834	
	NGPS Multan 1-4	GAS		-	0	
	Northern Block 8	F.O.		-	0	
	Gulf Rental	RFO		16,147,231	177,816,548	
	Rental Summandari	Gas	138	13,886,000	142,822,663	
	Rental Bhiki	Gas	125	28,609,000	127,169,866	
	Adjustment			-	-	
		Northern Total:	1,831	565,768,145	6,162,842,948	
	iv. GENCO-IV					
	Lakhra Power	Coal	31.2	11,345,000	30,603,138	
		GENCOs Total:-	4,061	1,458,923,450	11,401,643,342	
	3	IPPs				
	1	Kot Addu Block 1	RFO		214,931,500	1,871,920,480
			Gas		1,031,100	2,909,506
			HSD		-	0
		Kot Addu Block 2	RFO		392,113,600	4,426,489,173
Gas				68,579,500	213,265,273	
Kot Addu Block 3		Gas		106,500,100	363,773,397	
		HSD		43,200	678,561	
		KAPCO Total	1336	783,199,000	6,879,036,390	

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Energy Procurement Report (Provisional)

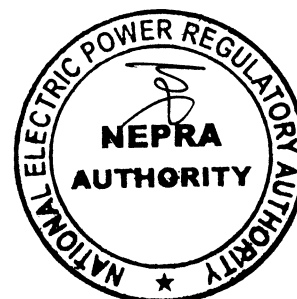
Jun, 2010

Annex-I

S.No.	Power Producer	Fuel	Dep. Capacity MW	Energy KWh	Total Energy Cost (Rs.)
2	Hub Power	RFO	1,200	771,607,200	8,942,742,617
3	Kohinoor Energy	RFO	124	75,990,000	756,015,614
4	AES Lalpir	RFO	350	190,087,000	1,920,762,343
5	AES Pakgen	RFO	350	166,005,539	1,741,111,052
6	Japan Power	RFO	65	41,848,585	394,990,110
7	Fauji Kabirwala	Gas	151	93,677,000	350,276,724
8	Saba Power	RFO	126	35,616,394	363,843,854
9	Rousch	Gas	395	262,700,327	807,781,284
10	Habibullah	Gas	129	72,832,323	221,785,873
11	Uch Power	Gas	551	332,130,000	839,555,816
12	Southern Power	RFO	119	49,649,554	503,136,521
13	Altern	Gas	26	19,213,700	69,024,678
14	Liberty	Gas	213	124,472,000	883,888,670
15	Chashma Nuclear	Nucl.	300	105,840,000	53,925,480
16	Tavanir Iran	Import	32	21,838,055	93,961,092
Sub-Total:			5,468	3,146,706,677	24,821,838,118
1	Attock-Gen	RFO	225.00	97,903,406	986,999,344
2	Atlas-Honda	RFO	231.86	125,998,864	1,350,294,737
3	Nishat Power	RFO	225.00	122,939,582	1,161,900,684
4	Foundation Power	Gas	175.00	12,738,960	32,754,414
5	Orient	Gas		124,526,649	318,628,160
6	Nishat Chunian	RFO	200.00	108,860,962	1,037,801,028
7	Gulf Rental	RFO		-	-
8	Saif Power	Gas	200.00	103,840,769	276,035,378
9	Engro Energy	Gas	227.00	124,366,518	851,085,234
10	Saphire Power	Gas		254,260	781,316
Sub-Total:			1,484	821,429,970	6,016,280,295
IPPs Total:-			6,952	3,968,136,647	30,838,118,413
4	Others				
i.	TPS-Quetta	Gas	25	15,623,000	97,028,957
ii.	TPS-Shahdara	Gas		(71,510)	(429,519)
iii.	SPPs	Mixed	151	64,281,347	674,954,144
Others Total			176	79,832,837	771,553,582
G-Total:			17,512	8,639,350,913	44,177,603,368
Summary					
	Hydel			3,132,457,979	1,166,288,032
	Coal			11,345,000	30,603,138
	HSD			2,015,473	31,716,221
	F.O.			3,038,967,832	33,417,389,018
	Gas			2,262,605,227	8,708,766,244
	Import from Iran			21,838,055	93,961,092
	Mixed			64,281,347	674,954,144
	Prev. Adjustment			-	-
Grand Total				8,639,350,913	44,177,603,368

Energy Sale Price

Energy Cost (Rs.)	44,177,603,368
EPP charged to IPPs (Rs.)	192,089,599
EPP (Chargable) (Rs.)	43,985,513,769
Energy Sold (KWh)	8,297,080,743
Avg. Rate (Rs./KWh)	5.301324



Annex-II

Source Wise Generation

Sources	Reference		Actual	
	June 2010			
	GWh	%	GWh	%
Hydel	3,214	35.5%	3,132	36.3%
Coal	6	0.1%	11	0.1%
HSD	97	1.1%	2	0.0%
RFO	2,749	30.4%	3,359	38.9%
Gas	2,704	29.9%	1,943	22.5%
Nuclear	212	2.3%	106	1.2%
Import Iran	22	0.2%	22	0.3%
Mixed	52	0.6%	64	0.7%
Prev Adjust	-	0.0%		0.0%
Total	9,057	100.0%	8,639	100.0%
Sale to IPPs	-	0.0%	(10)	-0.1%
Transmission Losses	(226)	-2.5%	(332)	-3.8%
Net Delivered	8,830	97.5%	8,297	96.0%

Source Wise Fuel Cost/Energy Purchase Price

Sources	Reference		Actual	
	June 2010			
	Mlns. Rs.	Rs./kWh	Mlns. Rs.	Rs./kWh
Hydel	1,149	0.36	1,166	0.37
Coal	13	2.04	31	2.70
HSD	1,096	11.25	32	15.74
RFO	26,215	9.53	31,204	9.29
Gas	8,809	3.26	7,990	4.11
Nuclear	108	0.51	54	0.51
Import Iran	88	4.05	93	4.25
Mixed	327	6.32	675	10.50
Prev Adjust	-	-		-
Total	37,805	4.17	41,244	4.77
Supplemental Charges	-	-	2,933	0.34
Sale to IPPs	-	-	(192)	(19.30)
Grand Total	37,805	4.17	43,986	5.09
Transmission Losses	-	0.11	-	0.21
Net Total	37,805	4.28	43,986	5.30



Monday II 26 July 2010

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

National Electric Power Regulatory Authority



NOTIFICATION


Islamabad, the July 26, 2010

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S.R.O. (I)/2010: – In pursuance of the Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997 and subsequent amendment made in that sub-section through an Ordinance No. XIV of 2010 promulgated by the President on the 18th April, 2010, the National Electric Power Regulatory Authority has determined the following adjustment in fuel cost component on account of fuel price variation for the month of June 2010 for Ex-WAPDA Distribution Companies:

Actual Fuel Charges Component for June 2010	Rs.4.92/kWh
Corresponding Reference Fuel Charges Component (Determined) for the month of June 2010	Rs. 4.28/kWh
Fuel Charges Variation for the month of June 2010	Rs. 0.64/kWh

Note: The reviewed fuel adjustment charges of Rs.0.64/kWh for the month of June 2010 is lower by Rs.0.27/kWh than the adjustment of Rs.0.91/kWh for the month of May 2010; therefore, effectively there will be a decrease of Rs.0.27/kWh in the bill of the consumers on account of fuel adjustment charges as compared to the month of May 2010.

The above adjustment of Rs.0.64/kWh shall be applicable to all the consumer categories except lifeline consumers of all the Ex-WAPDA Distribution Companies. Ex-WAPDA Distribution Companies shall show the fuel price adjustment as determined by the Authority for the month of June 2010 separately in the consumers' bill on the basis of units billed to the consumer in the month of June 2010.


(Syed Safer Hussain)
Registrar