



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

2nd Floor, OPF Building, G-5/2, Islamabad

Ph : 9206500, 9207200, Fax : 9210215

E-mail: registrar@nepra.org.pk

Registrar

No. NEPRA/R/TRF-100/471-484

January 21, 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: **Notification of Fuel Price Adjustment for the Month of December, 2009
for Ex-WAPDA Distribution Companies**

Enclosed please find a copy of subject notification in respect of Ex-WAPDA Distribution Companies for the month of December, 2009 issued vide S.R.O. 40 (I)/2010 dated 21.01.2010. 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 Operating Officer, CPPA, WAPDA House, Lahore.



**DECISION OF THE AUTHORITY IN THE MATTER OF FUEL PRICE
ADJUSTMENT FOR THE MONTH OF DECEMBER 2009 FOR XWDISCOs**

Pursuant to the amendment made in the Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997 through Ordinance promulgated on 26th November 2009, the Authority is required:

- i) to review the fuel charges in the approved tariff on account of any variation whatsoever; and
 - ii) to determine overall electricity tariff on quarterly basis.
2. In compliance thereof, the adjustment on account of power purchase price (PPP) would be passed on to the consumers in two stages. According to the modified mechanism the fuel charges in the approved tariff would be adjusted on the basis of actual variation against the corresponding monthly reference pool values without taking into account the impact of transmission and distribution (T&D) losses.
 3. While considering the adjustment request for the month of December 2009, the Authority observed that the actual fuel cost component of Rs. 6.38/kWh also included Rs. 0.07/kWh (Rs. 429 million) on account of previous months' adjustment, which was not duly supported with proper documentary evidence. The Authority set aside Rs. 771 million and Rs. 2.174 billion on account of previous months' adjustment for October 2009 and November 2009 respectively. In view of the substantial impact on the consumers the matter has already been taken up with the concerned stakeholders i.e. Ministry of Finance, Ministry of Water & Power and Central Power Purchasing Agency. Till such time the matter is resolved the Authority has also decided to set aside Rs. 429 million for the month of December 2009 in addition to the aforesaid previous months withheld amounts.
 4. The Authority further noted that during December 2009 NTDC claimed 3.4% transmission losses against the determined losses of 2.5% as per the Authority's determination dated 6th January 2006 in the case of NEPRA/TRF-45/NTDC-2005. The Authority considers that the impact of NTDC's claimed higher losses could not be substantiated by NTDC hence cannot be passed on to the consumers; accordingly Rs.0.06/kWh is being disallowed.
 5. The Authority on the basis of information provided by CPPA, considers that due to increase in oil prices and higher volume of generation on oil there was a genuine upward variation of Rs. 0.40/kWh in fuel charges (after adjustment for





transmission losses and setting aside the previous month's adjustment) of approved tariff for the month of December 2009 as per the following:

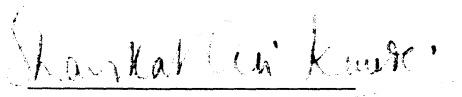
Actual Fuel Cost Component for December 2009	Rs. 6.25/kWh
Corresponding Reference Fuel Cost Component (Determined) for the month of December 2009	Rs. 5.85/kWh
Fuel Price Variation	Rs. 0.40/kWh

6. The assessed fuel cost adjustment of Rs.0.40/kWh for the month of December 2009 is lesser by Rs. 0.11/kWh than the adjustment of Rs.0.51/kWh for the month of November 2009. The consumer bill for the month of December 2009 will accordingly be decreased by Rs. 0.11/kWh in this regard.
7. The above adjustment as referred to in Para 5 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 consumption by the consumer in the month of December 2009.


AUTHORITY


(Zafar Ali Khan) 19/1/10
Member


(Maqbool Ahmad Khawaja)
Member


(Shaukat Ali Kundi) 19.1.10
Member


(Ghiasuddin Ahmed) 19/1/10
Member/Vice Chairman


(Khalid Saeed)
Chairman

EXTRAORDINARY PUBLISHED BY AUTHORITY

Islamabad, Thursday, January 21, 2010

PART-II

Statutory Notifications (S.R.O.)

Government of Pakistan

National Electric Power Regulatory Authority

NOTIFICATION

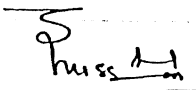
Islamabad, the 21st January, 2010

S.R.O. 40(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. XXIX of 2009 promulgated on November 26, 2009, the National Electric Power Regulatory Authority is pleased to determine and notify the following adjustment in fuel cost component on account of fuel price variation for the month of December 2009 for Ex-WAPDA Distribution Companies:

Actual Fuel Cost Component for December 2009	Rs. 6.25/kWh
Corresponding Reference Fuel Cost Component (Determined) for the month of December 2009	Rs. 5.85/kWh
Fuel Price Variation	Rs. 0.40/kWh

Note: The assessed fuel cost adjustment of Rs.0.40/kWh for the month of December 2009 is lesser by Rs. 0.11/kWh than the adjustment of Rs.0.51/kWh for the month of November 2009. The consumer bill for the month of December 2009 will accordingly be decreased by Rs. 0.11/kWh in this regard.

The above adjustment of Rs.0.40/kWh shall be applicable to all the consumer categories except lifeline consumers of all Ex-WAPDA Distribution Companies. Ex-WAPDA Distribution Companies shall show the fuel price adjustment as determined by the Authority for the month of December 2009 separately in the consumers' bills and the billing impact shall be worked out on the basis of consumption by the consumer in the month of December 2009.


(Syed Safer Hussain)
Registrar