



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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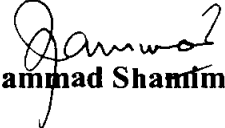
No. NEPRA/TRF-56/JPCL-2006/ 7079-83
August 10, 2012

Chief Executive Officer,
Jamshoro Power Company Ltd.
Thermal Power Station,
Mohra Jabal, Dadu Road,
Jamshoro

Subject: Decision of the Authority in the Matter of Adjustment of the Energy Charge Part of Tariff Relating to Fuel (for Gas w.e.f. July 01, 2012) for Jamshoro Power Company Ltd. (JPCL) (Case No. NEPRA/TRF-56/JPCL-2006)

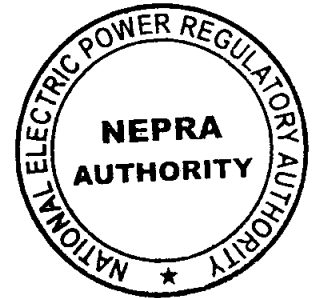
Enclosed please find herewith the subject decision of the Authority along with Schedule of Fuel Cost Part of Energy Charge applicable w.e.f. July 01, 2012 at Annex-I and Note of Dissent of Mr. Shaukat Ali Kundi, Member NEPRA (03 pages) regarding the adjustment in the fuel part of energy charge in respect of Jamshoro Power Company Ltd. The notification on the subject decision will follow.

Enclosure: As above


(Hammad Shantimi)

CC:

1. Secretary Ministry of Water & Power, Islamabad
2. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
3. Secretary, Ministry of Finance, Islamabad.
4. Secretary, Privatization Commission, Islamabad.





**DECISION OF THE AUTHORITY IN THE MATTER OF ADJUSTMENT OF THE ENERGY
CHARGE PART OF THE TARIFF RELATING TO FUEL FOR JAMSHORO POWER
COMPANY LTD. (JPCL)**

Pursuant to paragraph 18 of the Authority's decision dated July 02, 2007 in respect of generation tariff for Jamshoro Power Company Ltd. (JPCL), adjustments have been made in the fuel part of energy charge subsequent to change in gas price with effect from July 01, 2012. The block-wise revised fuel cost component for JPCL is indicated hereunder:

Blocks	Description	Revised Fuel Cost Component Rs./kWh
		Gas
II	Jamshoro Units 2-4	6.8721
III	Kotri Units 3-7	5.7327
IV	Kotri Units 1-2	11.6492

The revised tariff shall become immediately applicable as mentioned in S.R.O 1078(I)/2007 dated October 29, 2007. The revised energy charge part of tariff relating to fuel to be notified in the official Gazette is attached as Annex-I.

AUTHORITY

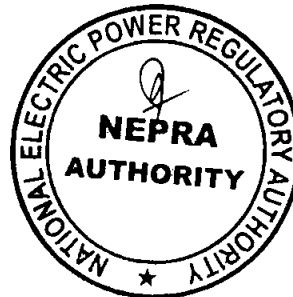
By note attached -

(Signature)
(Shaukat Ali Kundi) 07.08.12
Member

(Signature)
18/7/2012
(Habibullah Khilji)
Member

(Signature) 18.07.12
(Khawaja Muhammad Naeem)
Member

(Signature) 30/7
(Ghiasuddin Ahmed)
Acting Chairman

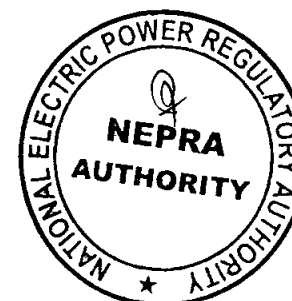


JAMSHORO POWER COMPANY LTD.
Schedule of Fuel Cost Part of Energy Charge
Adjustment on account of fuel price variation for gas on July 01, 2012

Fuel Price	Unit	Reference	Previous	Revised
Gas	Rs./MMBTUs	238.38	507.86	560.00

Blocks	Description	Reference Fuel Cost Component Rs./kWh	Previous Fuel Cost Component Rs./kWh	Revised Fuel Cost Component Rs./kWh
		Gas	Gas	Gas
II	Jamshoro Units 2-4	2.9253	6.2322	6.8721
III	Kotri Units 3-7	2.4403	5.1990	5.7327
IV	Kotri Units 1-2	4.9588	10.5645	11.6492

1-Safdar



Note of Dissent of Mr. Shaukat Ali Kundi, Member (Licensing)
NEPRA in the matter of Adjustment in the Energy Charge Part of
Tariff Relating to Fuel Price Variation w.e.f. July 01, 2012 with
respect to Jamshoro Power Generation Company Limited (JPGCL)
Case No. NEPRA/TRF-56/JPGCL-2006

The requested adjustment in the Energy Charge Part of Tariff relating to fuel Price Variation includes Unit No. 1 & 2 of GTPS Kotri of JPGCL. According to the terms and conditions of the granted Generation Licence of JPGCL these Units have already completed their respective useful life and have reason to operate. Moreover, the Net Efficiency of these units during FY-2010-11 was 14.22% only against designed efficiency of 24.00%.

(2). I am of the view that the above units of GTPS Kotri are inefficient and allowing fuel cost component to these units would result in higher per unit cost. Therefore, in my view allowing the proposed adjustment in the energy charge part is not justified on legal as well as on economic grounds.

(3). Further, I will like to point out that Natural Gas is precious resource and should be utilized on efficient power plants in the system. Diverting Natural Gas to efficient plants will not only generate more units of electricity on lower rates but will also result in lowering consumer end tariff. In the light of above, I decline the adjustment in Energy Charge Part of Unit No. 1 & 2 of GTPS Kotri of JPGCL.

Shaukat Ali Kundi
(Shaukat Ali Kundi)
Member (Licensing) 07.08.2012

