



**Registrar**

# **National Electric Power Regulatory Authority**

## **Islamic Republic of Pakistan**

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No. NEPRA/TRF-255/JPCL-2014/12939-12942  
September 1, 2015

**Subject: Determination of the Authority in the matter of Motion for Leave for Review filed by Jamshoro Power Company Ltd. against the Determination of the Authority dated 12.09.2014 [Case # NEPRA/TRF-255/JPCL-2014]**

Dear Sir,

In continuation of this office letter No. NEPRA/TRF-255/JPCL-2014/10516-10518 dated September 12, 2014 whereby Determination of the Authority in the matter of petition filed by Jamshoro Power Company Ltd. (JPCL) was sent to the Federal Government for notification in the official Gazette.

2. Please find enclosed herewith the Determination of the Authority (11 pages) in the matter of Motion for Leave for Review filed by Jamshoro Power Company Ltd. against NEPRA's Determination dated 12.09.2014 in Case No. NEPRA/TRF-255/JPCL-2014.

3. The Decision of the Authority is being intimated to the Federal Government for the purpose of notification in the official Gazette pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997) read with Rule 16(11) of the National Electric Power Regulatory Authority Tariff (Standards and Procedure) Rules, 1998.

4. Order of the Authority is to be notified in the official Gazette.

Enclosure: As above

( Syed Safeer Hussain )

Secretary  
Ministry of Water & Power  
'A' Block, Pak Secretariat  
Islamabad

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Secretary, Privatization Commission, EAC Building, Islamabad.



**DETERMINATION OF THE AUTHORITY IN THE MATTER OF MOTION FOR LEAVE FOR  
REVIEW FILED BY JAMSHORO POWER COMPANY LIMITED (JPCL) AGAINST THE  
DECISION OF THE AUTHORITY DATED 12-09-2014**

**1. INTRODUCTION**

- 1.1. Jamshoro Power Company Limited, hereinafter referred to as "JPCL" or the "Company", filed the tariff petition for the period July 2014 to June 2019 which was decided by NEPRA on September 12, 2014 with the following tariff for one year i.e. FY 2014-15:

**Capacity Charge**

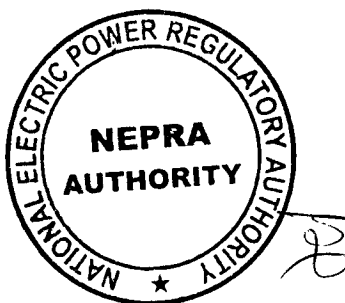
Description	Requested Tariff		Approved Tariff		Indexation
	Rs. Million	Rs./kW/M	Rs. Million	Rs./kW/M	
<b>A Escalable Component:</b>	<b>2,977.04</b>	<b>328.37</b>	<b>1,867.42</b>	<b>205.98</b>	
Salary and Wages	1,838.87	202.83	1,340.12	147.81	CPI
Administrative expenses	221.77	24.46	176.39	19.46	CPI
Repair and Maintenance	942.99	104.01	450.00	49.63	CPI
Other income	(26.59)	(2.93)	(99.08)	(10.93)	CPI
<b>B Non-Escalable Component:</b>	<b>1,949.96</b>	<b>215.08</b>	<b>1,646.07</b>	<b>181.56</b>	
Insurance cost	95.05	10.48	9.64	1.06	NIL
ROE	1,133.85	125.06	915.37	100.96	NIL
financial Charges	26.98	2.98	26.98	2.98	NIL
Depreciation	694.08	76.56	694.08	76.56	NIL
<b>C Total Capacity Purchase Price</b>	<b>4,927.00</b>	<b>543.45</b>	<b>3,513.49</b>	<b>387.54</b>	

**Energy Charge**

Name	Fuel	Net Heat Rate (HHV)		Fuel Cost component		Variable O&M	
		Requested	Approved	Requested	Approved	Requested	Approved
		BTU/kWh		Rs./kWh		Rs./kWh	
Block-I Jamshoro Unit 1	RFO	11,001	10,775	19.99	19.40	0.1491	0.0925
Block-II Jamshoro Unit 2	RFO	12,408	12,093	22.54	21.77	0.1491	0.0925
Block-II Jamshoro Unit 2	Gas	12,408	12,093	7.68	7.11	0.1491	0.0925
Block-II Jamshoro Unit 3	RFO	12,408	11,765	22.54	21.18	0.1491	0.0925
Block-II Jamshoro Unit 3	Gas	12,408	11,765	7.68	6.92	0.1491	0.0925
Block-II Jamshoro Unit 4	RFO	12,408	11,511	22.54	20.73	0.1491	0.0925
Block-II Jamshoro Unit 4	Gas	12,408	11,511	7.68	6.77	0.1491	0.0925
Block-III Kotri Unit 3-7 –CC	Gas	10,237	10,237	6.34	6.02	0.1491	0.0925
Block-III Kotri Unit 3-7 – SC	Gas	15,356	15,356	9.51	9.03	0.1491	0.0925

**2. JPCL REVIEW MOTION**

- 2.1 JPCL, being aggrieved from the above referred decision, filed a Motion for Leave for Review under Regulation 3 of NEPRA (Review Procedure) Regulation, 2009, which was admitted on 19<sup>th</sup> November 2014 while condoning the delay in filing the same. JPCL sought review on the following grounds:





- a. Salaries & Wages
- b. Authority Overheads
- c. Repair and Maintenance
- d. Other Income
- e. Insurance
- f. Heat Rate

### 3. HEARING

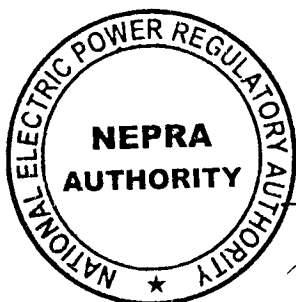
In order to give an opportunity of hearing to the parties, a hearing in the matter was held on 4<sup>th</sup> February 2014 in HESCO Committee Room Hyderabad.

### 4. DISCUSSION OF THE ISSUES

Having gone through the record and hearing the parties, the finding of the Authority on the respective issues is given as under:

### 5. SALARIES & WAGES

- 5.1 The Authority allowed Rs. 1,340 million on account of salaries & wages against Rs. 1,839 million requested by JPCL for FY 2014-15. According to JPCL, the Authority has raised concerns on the number of employees in TPS Jamshoro and GTPS, Kotri and allowed 1.2 persons/MW for Jamshoro and 0.7 person/MW for Kotri gas station. The present TPS Jamshoro ratio of employees is 1.4 persons/MW (1,238/880) whereas GTPS Kotri Power Station's ratio is 2.36 persons/MW (340/144). The Authority has compared the number of persons per MW with India and Bangladesh and not any similar companies like K-Electric. K Electric's ratio of employee/MW is 1.4 (3221/2341). According to JPCL, reducing the ratio less than 1.4 will only question the long term sustainability of the national asset. Ratio of 0.7 persons/MW for gas power station is more relevant to the latest technology. Kotri Power Station is 30 years old based on technology prevailing in 1980 and therefore, 0.7 person/MW is not relevant to the existing Kotri power Station. JPCL submitted that being a state owned organization, it is not in a position to retire its employees or offer golden hand shake without the approval of GOP.
- 5.2 JPCL also submitted that the actual expenses incurred by Company under this head in FY 2012-13 and 2013-14 were Rs.1,672 Million and Rs.1,695 Million respectively which are much higher than the cost approved by NEPRA. According to the petitioner, Salary and Wages are not discretionary cost that can be curtailed rather it is a committed cost which is liable to be incurred. In view of these submissions, JPCL requested the Authority to reconsider its Tariff Determination and allow Rs. 1.838.87 million on account of salaries and wages for the FY 2014-15 which translate into Rs.202.8272/kW/month.



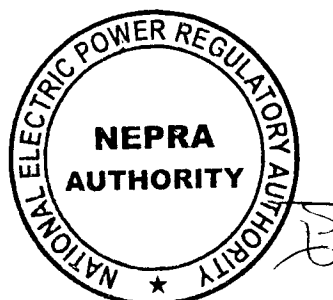
- 5.3 The Authority has considered the request of JPCL on account of salaries & wages. In the opinion of the Authority, both 1578 actual number of employees and sanctioned strength of 1705 number of employees is exceptionally high. JPCL referred the case of K Electric and submitted that the manpower/MW is 1.4. K Electric is an integrated utility managing all the three functions of generation, transmission and distribution of electric power to the end consumers. K Electric realigned its workforce through restructuring across the board from 17,436 to 10,242. The relevant data in respect of K-Electric is tabulated below:

Sr.	Power station	Installed capacity (MW)	Type	No of Employees in Power Station
1	Bin Qasim Power Station-I	1260	Gas/HFO fired	492
2	220 MW CCPP at Korangi	220	Natural gas	165
3	Gas Engine at Korangi Town	97.312	Natural gas	88
4	Site Gas Turbine Power Station	97.312	Natural gas	89
5	560 MW New CCPP BQPS-II	572.67	Gas+Steam turbine	124

- 5.4 As per the above details, the manpower/MW in case of K Electric is only 0.42 which is substantially lower than the JPCL. In view of above reasons the JPCL's argument with respect to employee /MW ratio of 1.4 is not substantiated; therefore the Authority considers that, major restructuring is required in JPCL. Accordingly the Authority hereby directs JPCL to prepare and submit a restructuring plan keeping in view the industry benchmarks for Authority's approval at the earliest but not later than December 31, 2015.
- 5.5 In view of the above, the Authority has decided to revisit its earlier decision. The Authority has decided to consider actual expenses incurred in the FY 2013-14 for assessment of salaries and wages along with increase in salaries and wages in FY 2013-14 over FY 2012-13 i.e. 1.38%. Accordingly, Rs. 1,718 million are being approved for the FY 2014-15 on account of salaries and wages.

## 6. AUTHORITY OVERHEADS

- 6.1 According to JPCL, the Authority in Para 9.9.2 of the Tariff Determination disallowed Rs.25 million being WAPDA Authority's Overheads whereas this amount includes NEPRA Fee and prorated expenses of the office of General Manager (Thermal), G.M. (D&D) Thermal and GENCO Holding Company Limited (GHCL). These overheads are being shared by all the four (4) GENCOs proportionately in accordance with the Mega Wattage of each company. JPCL further submitted that NEPRA also declined the requested 10% inflationary increase under the administrative expenses as the historical trend does not justify the increase suggested by the Petitioner.

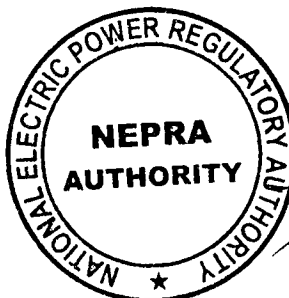




- 6.2 JPCL submitted item wise analysis of the administrative expenses in support of its review request and submitted that most of the items have inflationary trend and those which have a declining trend have reasons, other than deflation. JPCL submitted that the Company exists in an inflationary environment and has to bear the impact of inflation and JPCL administrative expenses cannot be denied from 10% inflation. Therefore, NEPRA may kindly allow the impact of inflation, which hits most of the administrative expenses. JPCL also referred the cases of LPGCL and CPGCL where similar increase was allowed. In view of above, the Petitioner requested the Authority to revisit its earlier decision and allow Rs. 221.76 million for the FY 2014-15 on account of administration expenses.
- 6.3 The Authority having considered JPCL's request for allowing Rs. 25 million on account of GENCO Holding Company's overhead expenses reasonable. Accordingly, the Authority has decided to accept Rs. 25.217 million on account of GENCO Holding Company's overhead expenses are being allowed. As a result thereof the revised administrative expenses will be Rs. 201.607 million and the tariff component will be Rs. 22.24/kW/month. Keeping in view the past trend and negligible increase in CPI (General) 194.74 in June 2014 to 198.16 in April 2015, The Authority did not consider the request of the petitioner for inflationary increase.

## **7 REPAIR AND MAINTENANCE**

- 7.1 According to the Petitioner, the Authority approved Rs. 450 million as repair and maintenance cost for the FY 2014-15 with the provision that in case actual expenses on the maintenance/overhaul are higher than the approved amount, the excess will be reimbursed on the basis of verifiable documentary evidence. The approved amount was determined keeping in view the underutilization of allowed tariff on account of repairs & maintenance during the last three years. According to the Petitioner, under-utilization of allowed tariff on this account was due to non-availability of scheduled maintenance outages by NTDC/NPCC and lengthy procurement procedures. According to the Petitioner, the mechanism for reimbursement of such amount is neither provided in the Power Purchase Agreement nor in the Tariff Determination. The Petitioner further stated that the seeking of post expense approval of the Authority would be a cumbersome process and a barrier to plan any major repair work.
- 7.2 JPCL submitted that the current year's committed cost for repairs & maintenance is Rs. 949.98 million. The details of repairs & maintenance with purchase order, reference number and dates were also provided. JPCL requested the Authority to approve Rs. 942.98 million as repair and maintenance cost for the FY 2014-15 instead of Rs. 450 million.
- 7.3 The Authority has carefully examined and evaluated the petitioners' review with respect to repairs and maintenance and the Authority is of the view that the petitioner failed to provide





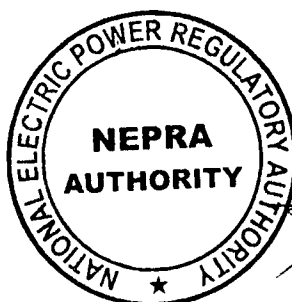
cogent reasons and new evidence in support thereof. The Authority considers that currently it finds no justification to revisit or modify its earlier decision; however the Authority will consider to review the approved expenses, if the petitioner subsequently is able to demonstrate that its actual expenses were higher.

## **8 OTHER INCOME**

8.1 The Authority determined other income of Rs. 99.084 million on the basis of average of the last four years actual other income against the requested amount of Rs. 26.59 million by JPCL. According to JPCL during the last three years, the other income is high because of the USAID grant of USD 19.3 million under Fixed Amount Reimbursement Agreement and Revised Activity Agreement signed between the Company and USAID on 20<sup>th</sup> May 2010 and 9<sup>th</sup> April 2012 respectively for the repair and rehabilitation of TPS Jamshoro which will be completed by the end of December 2014. USAID grants are initially recognized as deferred income in the financial statement and recognized in profit or loss account as other income in the same period in which the expenses are recognized. These are only accounting entries and does not generate any Cash Inflow for the company in the year.

8.2 According to JPCL, the grant provided by USAID is not a regular phenomena and therefore should not be taken into account for the working of other Income. JPCL referred the CPGCL case and requested to consider the recurring items only in other income and one time or abnormal items are not considered for this purpose. In view of the above, the Authority is requested to allow the other income of Rs. 26.59 million as prayed in Tariff Petition. The details provided by JPCL are as under:

Description	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
	Amount in Rupees			
Income from financial assets:				
Profit on Bank Deposits	22,952,572	25,637,493	1,506,847	21,899,311
Income from non-financial assets:				
Sale of scrap	14,617,110	10,750,792	4,277,806	2,274,062
Rent on leased property	848,615	1,092,457	4,135,826	2,615,709
Amortization of deferred income	-	-	6,345,529	105,580,186
Reimbursement under FARA - consumable items	-	56,816,000	35,617,853	-
Un-realized gain on revaluation of foreign currency	-	-	6,022,618	-
Liabilities written back	-	-	-	4,462,445
Gain on disposal of Property, Plant, and Equipment	-	1,304,273	-	-
Miscellaneous	12,821,895	6,583,077	21,574,501	13,044,890
Total	51,240,192	102,184,092	79,480,980	149,876,603



- 8.3 The Authority has considered the request made by JPCL in the light of supporting information. In the opinion of the Authority, the contention of the petitioner regarding the grants and non-recurring items is valid, therefore the Authority has decided to reassess the other income on the basis of average of the last four years of recurring items. The details of the recurring items in the other income during the last four years are provided hereunder:

Description	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Average
<b>Amount in Rupees</b>					
<b>Income from financial assets:</b>					
Profit on Bank Deposits	22,952,572	25,637,493	1,506,847	21,899,311	17,999,056
<b>Income from non-financial assets:</b>					
Sale of scrap	14,617,110	10,750,792	4,277,806	2,274,062	7,979,943
Rent on leased property	848,615	1,092,457	4,135,826	2,615,709	2,173,152
Miscellaneous	12,821,895	6,583,077	21,574,501	13,044,890	13,506,091
<b>Total</b>	<b>51,240,192</b>	<b>44,063,819</b>	<b>31,494,980</b>	<b>39,833,972</b>	<b>41,658,241</b>

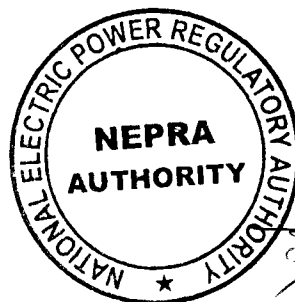
- 8.4 Accordingly the average other income of Rs. 41.658 million is being assessed for FY 2014-15 instead of earlier determined other income of Rs. 99.084 million.

## 9 INSURANCE

- 9.1 According to the Petitioner, the honorable Authority has not approved the requested insurance tariff which was based upon IPP's rates and covered all risks insurance, machinery breakdown, consequential loss following all risks and machinery breakdown, public liability and miscellaneous. According to the Petitioner, these are all allowed under PPA. The insurance under WAPDA insurance policy is not comprehensive and only covers generation plant and equipment while JPCL intends to have all assets insured in accordance with the PPA. JPCL requested that Rs.95 million premium may please be allowed to safeguard this national asset from any unforeseen event.
- 9.2 The Authority has observed that JPCL did not get insurance cover from the market for FY 2014-15 rather conventional WAPDA insurance mechanisms is in place and there is no justification for allowing higher insurance cost. In view thereof the Authority has decided to maintain its earlier decision in this regard.

## 10 HEAT RATE

- 10.1 According to the Petitioner, JPCL in its tariff petition requested the following heat rates:
- Heat rates as tested by the independent engineers
  - Heat rates on average of 100% and 50% MCR
  - Heat rates on block wise

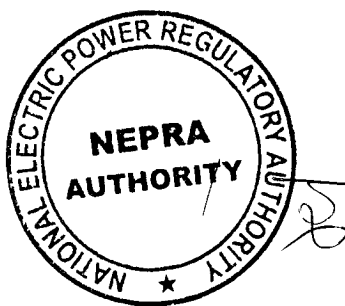




- 10.2 According to JPCL NEPRA accepted the heat rates which were carried out by independent Engineer however; the Authority has not accepted the requests mentioned at (ii) and (iii) above. According to JPCL, the Authority, contrary to the request made by JPCL, determined following heat rates:

Name	Net Heat Rate (HHV)	
	Requested	Approved
	BTU/kWh	
Block-I Jamshoro Unit 1	11,001	10,775
Block-II Jamshoro Unit 2	12,408	12,093
Block-II Jamshoro Unit 3	12,408	11,765
Block-II Jamshoro Unit 4	12,408	11,511

- 10.3 According to JPCL, the heat rates requested in the petition are very close to the actual heat rates but contrary to this the approved heat rates are not achievable as all the units run below 100% load factor. Jamshoro and Kotri plants are not base load plants and cannot be operated on 100% load. Due to partial loading, the marginal consumption of fuel increases and heat rates deteriorates. This higher consumption of fuel has to be compensated by the power purchaser and there can be many mechanisms for this compensation. The company has suggested an average of 100% capacity and 50% capacity which provides heat rate at 75% capacity while the actual load factor remain below 75% during the last three years which is 47.83%, 41.42% and 36.98% for FY 2013-14, FY 2012-13 and 2011-12 respectively therefore, to assign heat rate on 100% load is not justifiable.
- 10.4 JPCL also referred the case of Hub Power Plant which has heat rate deterioration factor and a mechanism is in place for part load operation. HUBCO separately bill for the Start Ups and even these Start Ups are bifurcated among cold, warm and hot. JPCL does not have such flexibility for recovery of fuel and the only practical way to resolve this is to consider heat rates on 75% capacity. Any heat rate which is not representative of the load profile of the plant will not make this entity a viable concern and plant will start incurring fuel losses and to turn into a loss entity
- 10.5 Regarding the submission to determine heat rates on block basis, the petitioner referred the cases of HUBCO, LPGCL and CPGCL where heat rates have been determined on block basis instead of individual units. JPCL requested the same treatment and requested to determine average heat rates for Jamshoro block II and approve the fuel cost component accordingly.
- 10.6 The Authority has considered the request of JPCL for determination of heat rates on average of 100% MCR and 50% MCR and block wise instead of unit wise. In order to analyze the issue, technical information was sought and the findings are as under:
- To allow heat rates as requested by JPCL, hourly dispatch data of JPCL Units was obtained and it was noted that the Jamshoro Units have operated at their maximum capacity for most of the time. Some of the units operated more than their tested capacity. Therefore, the request of JPCL to allow them heat rate at 75% loading (average of 50% and 100%) is not supported by the actual operational data.
  - Regarding request of JPCL for allowing heat rates of unit 2, 3 and 4 as one block (Block2) is also not logical. The dispatch of all the power generation plants is controlled by NPCC on





unit basis depending on the heat rate/efficiency of that particular unit, in the order of merit.

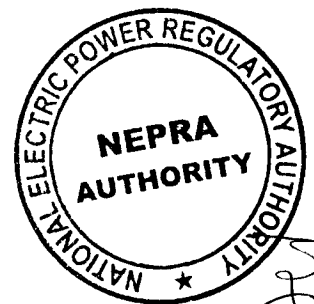
- iii) NEPRA has also been stressing the need of strict following of Merit Order by NPCC and even directing some of the generation units to stop operations due to their relatively inferior efficiencies. Operating 3 units with a block heat rate would allow unnecessary cushion to JPCL for indulging in non-transparent operation of these units, and will not be in-line with NEPRA's direction for merit order based operations.
- iv) JPCL in its review petition dated: 30.10.2015 submitted that NEPRA approved heat rates are not achievable as all the units run below 100% load factor. The Authority, in order to provide realistic compensation to JPCL for its operation at lower loads, directed it to submit partial loading curves provided by OEM so that these may be used for partial load operation individually by all the units which are tested.
- v) During the course of interaction for analyzing heat rates, JPCL also requested that the heat rates, as tested by the Independent Engineer M/s. Pakistan Engineering Services Limited during CDC/HR Test 2013, not accurately reflect the auxiliary consumption of individual units. JPCL was directed to provide documentary evidence duly verified from Independent Engineer M/s. Pakistan Engineering Services Limited regarding compensation in heat rate due to unit auxiliary isolation during CDC/HR Test 2013 to support its argument.

10.7 JPCL, vide its letter dated 23-6-2015, submitted the requisite evidence verified by Independent Engineer. On the basis of the report of independent engineer, the unit wise heat rates due to unit auxiliary isolation are being revised and the fuel cost component has been adjusted accordingly. The unit wise increase in the heat rates is provided hereunder:

Units	NEPRA Approved Net Heat Rate in Determination dated: 12.09.2014 (Btu/kWh)	Increase in Net Heat Rate as Verified by Independent Engineer (Btu/kWh)	Net Heat Rate Revised after JPCL Submission dated: 23.06.2015 (Btu/kWh)
Unit 1	10775	84	10859
Unit 2	12093	104	12197
Unit 3	11765	103	11868
Unit 4	11511	103	11614

10.8 However, it has been observed that the approved heat rates have been deteriorated significantly when compared with the designed heat rates. The Petitioner is directed to take every possible measure to bring the actual heat rates closer to the designed heat rates.

10.9 On the issue of partial operation of Units 1, 2, 3 and 4, JPCL also provided curves for operation of individual units using OEM data. Based on the data provided by JPCL for OEM supplied partial loading curves, the following correction factors are being approved to be used independently for operation of units 1, 2, 3 and 4:



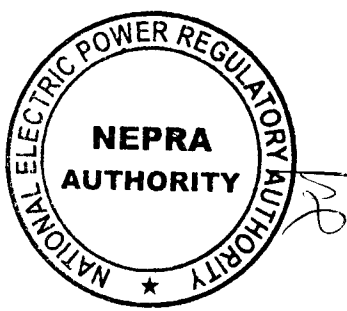


Unit 1		Unit 2		Unit 3		Unit 4	
% Loading	Correction Factor	% Loading	Correction Factor	% Loading	Correction Factor	% Loading	Correction Factor
100	1.0000	100	1.0000	100	1.0000	100	1.0000
95	1.0001	95	0.9990	95	0.9990	95	0.9990
90	1.0020	90	1.0005	90	1.0005	90	1.0005
85	1.0058	85	1.0044	85	1.0044	85	1.0044
80	1.0114	80	1.0107	80	1.0107	80	1.0107
75	1.0280	75	1.0194	75	1.0194	75	1.0194
70	1.0281	70	1.0306	70	1.0306	70	1.0306
65	1.0392	65	1.0441	65	1.0441	65	1.0441
60	1.0522	60	1.0601	60	1.0601	60	1.0601
55	1.0670	55	1.0785	55	1.0785	55	1.0785
50	1.0836	50	1.0993	50	1.0993	50	1.0993

# **11. ORDER**

- 11.1 Jamshoro Power Company Limited is allowed to charge such tariff as is provided hereunder for sale of electricity to Central Power Purchase Agency within NTDC:

Capacity Charges (Rs./kW/Month):		
Escalable Component:		256.82
Salaries and Wages		189.54
Administrative expenses		22.24
Repair and Maintenance expenses		49.63
Other income		(4.59)
Non-Escalable Component:		181.56
Insurance cost		1.06
ROE		100.96
financial Charges		2.98
Depreciation		76.56
Total		438.38
Energy Charges (Rs./kWh):		
Fuel Cost Component:		
Jamshoro Block I Unit 1	RFO	19.5519
Jamshoro Block II Unit 2	RFO	21.9576
Jamshoro Block II Unit 2	Gas	7.1713
Jamshoro Block II Unit 3	RFO	21.3659
Jamshoro Block II Unit 3	Gas	6.9807
Jamshoro Block II Unit 4	RFO	20.9160
Jamshoro Block II Unit 4	Gas	6.8308
Kotri Block III Unit 3-7 (CCP)	Gas	6.0217
Kotri Block III Unit 3-7 (w/o CCP)	Gas	9.0326
Variable O&M		0.0925





11.2 The capacity charges are based on net dependable capacity of 755.52 MW. Capacity charges will be paid strictly on the basis of agreed availability. LDs will be imposed in accordance with the PPA on non-availability of the each unit beyond the allowed limits. Power purchaser will allow outages for maintenance of the complex strictly in accordance with the PPA. In case of delayed payments, JPCL will be entitled late payment charges strictly in accordance with the PPA.

### 11.3 Tariff Adjustments/Indexations

The reference tariff determined above is subject to following adjustments/indexations:

#### a. **Adjustment on account of Fuel Price Variation**

The energy charge part of the tariff relating to fuel shall be adjusted on account of variation in fuel price according to the following mechanism:

$$FC_{(Rev)} = FC_{(Ref)} \times FP_{(Rev)} / FP_{(Ref)}$$

Where:

$FC_{(Rev)}$  = Revised fuel cost component of energy charge part of tariff

$FC_{(Ref)}$  = Reference fuel cost component

$FP_{(Rev)}$  = Revised applicable price of RFO/Gas as the case may be

$FP_{(Ref)}$  = Reference RFO price of Rs. 72,897/ton and Reference gas price of Rs. 588.23/MMBtu

#### b. **Adjustment on account of Calorific Value**

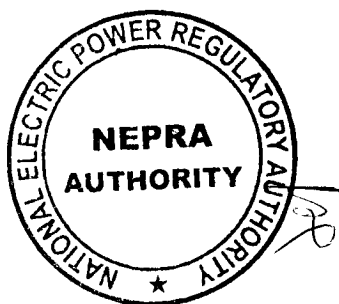
The adjustment on account of variation in calorific value will be allowed as per the following mechanism:

- i) The reference CV will be 18364 Btu/lb. There will however be no adjustment below the minimum limit of 18200 Btu/lb.
- ii) JPCL shall maintain and submit, annually a detailed record of consignment wise CV of the oil received and consumed for power generation for the adjustment on account of variation against the reference calorific value duly supported with the copies of test reports certified by the fuel supplier.

#### c. **Taxes**

The impact of taxes has not been accounted for in the tariff. In case the petitioner is obligated to pay any tax, the exact amount paid shall be reimbursed as per existing practice.

11.4 The above tariff along with adjustment/indexation mechanism will continue to remain in force till the next tariff determined by the Authority and notified in the official gazette.

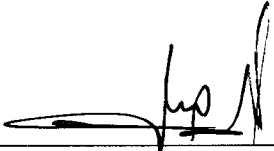


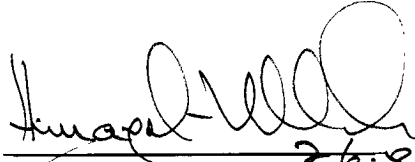


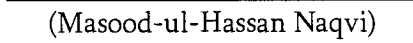
*Determination of the Authority in the matter of Motion for Leave for Review  
Against the Decision of the Authority regarding JPCL's Tariff Petition*


- 11.5 The above order of the Authority is to be notified in the official gazette, in accordance with the provisions of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

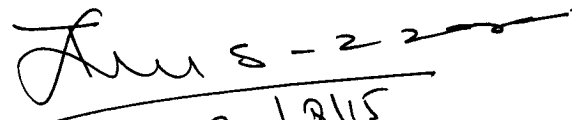
**Authority**

  
(Khawaja Muhammad Naeem)  
Member

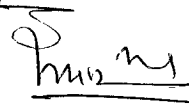
  
(Himayat Ullah Khan)  
Member

  
(Masood-ul-Hassan Naqvi)  
Member

  
(Maj(R)Haroon Rashid)  
Vice Chairman

  
(Brig (R) Tariq Sadozai)  
Chairman



  
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