



**National Electric Power Regulatory Authority**  
Islamic Republic of Pakistan

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Registrar

No. NEPRA/TRF-133/KESC-2009/2889-2992

April 19, 2011

Subject:- **Determination of the Authority in the matter of Karachi Electric Supply Co. Ltd. Quarterly Adjustment in Tariff for the Quarter October 2010 to December 2010 [Case No. NEPRA/TRF-133/KESCL-2009(6)]**  
Intimation of Determination of Tariff pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997)

Dear Sir,

Please find enclosed the determination of the Authority along with schedule of electricity tariff, Annexure-I (14 pages) regarding quarterly adjustment in tariff of Karachi Electric Supply Company Ltd. for the quarter October 2010 to December 2010 in Case No. NEPRA/TRF-133/KESC-2009(6).

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

3. Pursuant to the orders of Honorable High Court of Sindh, Karachi, passed in Writ Petition No. 1380 of 2009 titled the Law Foundation and 16 others Vs NEPRA and 9 others on 25.06.2010, the Fuel Adjustment Surcharge (FAS) shall not be passed on to the consumers till final orders are passed in the Petition.

4. Please note that revised schedule of tariff attached to the determination as Annex-I is required to be notified in the official Gazette.


5. It may be noted that prior to notification of the subject determination, Law, Justice and Parliamentary Affairs Division may be consulted for legal opinion in the light of order of the Sindh High Court, as referred in para 3 above.

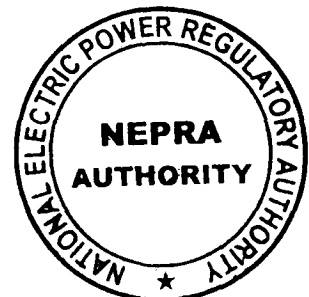
Enclosure: As above

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

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, Islamabad.
3. Secretary, Privatization Commission, Islamabad.

  
( Syed Safer Hussain )





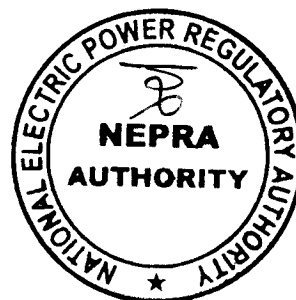
**DETERMINATION OF THE AUTHORITY IN THE MATTER OF**  
**KARACHI ELECTRIC SUPPLY COMPANY LIMITED**  
**QUARTERLY ADJUSTMENT IN TARIFF**  
**FOR THE QUARTER OCTOBER 2010 TO DECEMBER 2010**

**BACKGROUND**

1. Pursuant to section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 and in accordance with the determination of the Authority in case No. NEPRA/TRF-133/KESC-2009(6) notified vide S.R.O. No. 11(I)/2010 dated January 01, 2010, Karachi Electric Supply Company Limited (hereinafter referred to as the "KESCL") has been allowed certain adjustments in its tariff on quarterly basis. The adjustments allowed in the KESCL's tariff on quarterly basis include the following:
  - Impact of variation in the fixed component of power purchase cost and variable operation and maintenance costs (hereinafter referred to as the "O&M costs") of power purchased by KESCL from the external sources is adjusted on quarterly basis.
  - The impact of transmission and distribution losses (hereinafter referred to as the "T & D losses") on the monthly fuel price adjustment and power purchase cost adjustment is taken care of on quarterly basis.
2. In addition to the aforesaid adjustments in tariff, for allowing KESCL recovery of its cost in future on the latest price level, the tariff level is required to be adjusted to the price level of last month of the quarter i.e. in the current case the price level of December 2010.

**CURRENT REQUEST**

3. KESCL, in accordance with the prescribed mechanism for adjustment of fuel cost and power purchase cost variation, submitted quarterly adjustment request for the quarter October 2010 to December 2010 (hereinafter referred to as the "current quarter") vide its letter no. CMF/NEPRA/071/558 dated February 03, 2011.
4. The summary of the requested adjustment by KESCL is tabulated below:



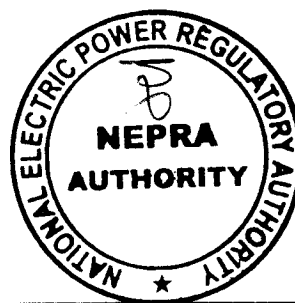


Sr. no.	DESCRIPTION	Proposed adjustment
1	Fuel cost variation of December 2010 over September 2010 (Ps/kWh)	30.23
	Power purchase cost variation of December 2010 over September 2010 (Ps/kWh)	118.53
	<b>Total variation in tariff (Ps/kWh)</b>	<b>148.76</b>
	Un-recovered costs for the period October 2010 to December 2010	Rupees in million
	Variation in O&M costs of IPPs and other external sources	74.17
	Variation in capacity charges of IPPs and other external sources	67.45
	Un-recovered cost of fuel due to non-adjustment of T&D losses in the monthly fuel cost adjustments	291.24
	Adjustment of over recovered cost of the previous quarter	(86.21)
	Adjustment of increase in fixed cost of KANUPP	25.93
	Adjustment of increase in fixed cost of Pakistan Steel Mills Limited	20.77
	Workers welfare fund and workers (profit) participation fund payment to Tapal Energy Limited and Gul Ahmed Energy Limited	107.12
	Amortization of mobilization advance payment to Aggreko (March 2009 to December 2010)	99.78
	Customs duties payment and currency adjustments of Aggreko	69.35
	Total un-recovered cost October 2010 to December 2010	669.60
	Estimated units to be sold @ 23% T & D losses in the next quarter (GWh)	2,436
	<b>Required adjustment (Ps/kWh)</b>	<b>27.48</b>
	Adjustment of reduction in tariff during October 2010 to December 2010 pertaining to the over-recovered costs of the previous quarter (Ps/kWh)	24.49
	<b>Total required adjustment in KESCL's tariff (Ps/kWh) (1+2+3)</b>	<b>200.74</b>

### PUBLIC HEARING

5. A public hearing for consideration of this request was fixed by the Authority on February 22, 2011 at National Institute of Management, Karachi. KESCL's request was accordingly advertised in leading national newspapers on February 03, 2011, inviting thereby written/oral objections from the affected/interested persons/parties.

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Notices were also sent to the main stakeholders/experts to participate in the hearing to assist the Authority in arriving at a just and informed decision.

6. During the hearing, the Authority inquired from KESCL about the reasons for extensive load shedding in Karachi. The Authority also questioned why KESCL is not generating electricity on furnace oil when it has enough available installed capacity to considerably reduce the load shedding. The Authority further noted that KESCL is getting substantial portion of its total power supply from the National Transmission and Despatch Company Limited (hereinafter referred to as the "NTDC"). In order to fulfill the demand of KESCL, NTDC has to purchase electricity generated on high speed diesel whose cost per unit is considerably higher than per unit cost of generating electricity on furnace oil. In response KESCL submitted that it dispatches electricity from its power plants in the economic merit order. KESCL further submitted that it is using load shedding as a management tool to minimize power theft. In high demand scenario, KESCL does not generate electricity from its less efficient power plants on expensive furnace oil, for ultimate supply of electricity to those areas where the T&D losses are high due to theft. The Authority observed that load shedding is carried out for an entire area and thus does not discriminate between a defaulter/thief and a regular paying consumer. The Authority noted that it is extremely unfair to punish those consumers by way of load shedding who are timely paying their bills. The Authority directed KESCL to avoid indiscriminate load shedding.
7. During the hearing Dr. Qazi Ahmed Kamal, representing Karachi Chamber of Commerce & Industry, presented before the Authority different issues relating to KESCL. He submitted that the Authority, being the custodian of the rights of consumers, has an obligation to audit not just the amount of fuel being used by KESCL but also how that fuel is used and what is the resultant output from the consumption of that fuel. In this regard, KESCL explained that different heat rates have been approved for each power plant of KESCL by the Authority in its determination dated December 23, 2009. KESCL's monthly and quarterly adjustments due to fuel and power purchase cost variations are approved on the basis of these heat rates or efficiency levels irrespective of actual efficiency levels of these plants. KESCL further submitted that as per the directions of the Authority, KESCL is in the process of carrying out the heat rate tests for its newly commissioned power plants.
8. Dr. Qazi Ahmed Kamal also commented in detail on the annual report of KESCL for the year ended on 30 June, 2010 (hereinafter referred to as the "annual accounts"). He submitted that as per the annual accounts of KESCL, expenses on salaries incurred in generation, transmission and distribution have increased manifold compared to the previous year. About the salaries of executives, he submitted that they are showing an



increase of more than 100% in the annual accounts. He further submitted that KESCL which is running in a loss of Rs. 14 billion a year should not spend that much amount on salaries. KESCL in response submitted that the Authority has fixed the O&M cost component of KESCL which is indexed on annual basis and the Authority does not allow KESCL any adjustment in its tariff on the basis of its actual O&M expenses.

9. The representative of S.I.T.E. Association of Industry submitted that KESCL, in its request, has given the figure of auxiliary consumption for Korangi Town Gas Turbine II as 2.1% and for Site Gas Turbine II as 2.9%, both of which are reasonable. However, Korangi Thermal shows auxiliary consumption of 12.4%, Bin Qasim 9.5% and Korangi Combined Cycle Power Plant 7.2% making average percentage of auxiliary consumption of all the generating units to 7.8%. He submitted that this level of auxiliary consumption is very high as compared to average auxiliary consumption in India which is around 3%. The Authority noted that after due consideration it has in its determination of KESCL dated December 23, 2009 limited the overall percentage of auxiliary consumption to 6.1% and all the adjustments are allowed to KESCL on the basis of this allowed limit of 6.1%.
10. With the permission of the Authority, various other aspects of KESCL performance were also commented on by the participants. The Authority has found that the commentators have in some cases failed to appreciate that KESCL has been allowed a multiyear tariff, whereby its tariff is not affected by its actual results, upto the expiry of multiyear tariff period which is presently 30 June, 2016. Any variation from the predetermined targets is not passed on to the consumers in tariff. Resultant gains/losses from such variations are to be taken/borne by KESCL. Some issues which have repeatedly been raised by the commentators having no impact on the tariff are as follows:
  - The Authority has fixed predetermined limits of annual T & D losses and allows adjustment in KESCL's tariff on the basis of those predetermined T & D losses irrespective of its actual T & D losses. For instance, for the year ended 30 June, 2010 T & D losses @ 25% were allowed to KESCL by the Authority, as against actual T & D losses of 34.89% of KESCL for that year.
  - The Authority in its determination has fixed O & M cost component of KESCL and only allows indexation of this component on annual basis based on CPI-X. The X factor (productivity factor) of 2% for Generation and Transmission & 3% for Distribution function is deducted from the actual variation in CPI for adjustment of O&M cost component.





- The Authority has stipulated that the average auxiliary consumption for all the power stations shall not exceed 6.1% of the total gross generation of that month.

The Authority noted that had KESCL tariff been based on the actual cost plus basis the reservation of the commentators submitted before the Authority would have been much more relevant in the current tariff adjustment process.

### ANALYSIS AND DECISION

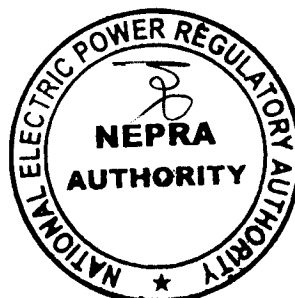
11. The generation data, rates, etc. of KESCL (both from self generation and power purchased from external sources) were scrutinized with respective invoices and other underlying documents. KESCL's request for the current quarter has been discussed under the following headings:

- a) Changing the reference tariff from September 2010 to December 2010
- b) Unrecovered costs for the current quarter
- c) Reversal of tariff adjustment pertaining to the previous quarter i.e. July 2010 - September 2010 which was applicable for the current quarter only

#### Changing the reference tariff from September 2010 to December 2010

12. KESCL's existing tariff is based on the fuel prices, O&M costs and capacity charges of September, 2010. For allowing KESCL recovery of its tariff in future on the latest price level, it is required that KESCL's tariff be adjusted to the price level of December 2010. Changing the tariff level requires allowing variations in the fuel cost of KESCL's own generation and allowing variations in the KESCL's power purchase cost including O&M costs and capacity charges of December 2010 over the previous reference month of September 2010.
13. KESCL has requested for allowing following adjustments in its tariff on this account:

		Requested by KESCL
KESCL own generation		
Fuel cost variation of December 2010 over September 2010	Rupees in million	221.07
KESCL purchases from external sources		
Power purchase cost variation of December 2010 over September 2010	-- Do. --	866.73





Total variation	-- Do. --	1,087.80
Units sold at 23% T & D losses for December 2010	GWh.	731.23
Required adjustment in tariff	(Ps/kWh)	148.76

KESCL own generation

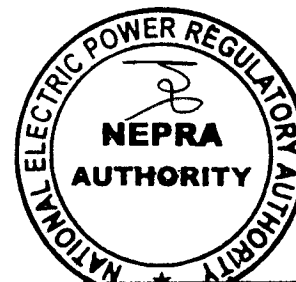
14. The Authority observed that the fuel cost of KESCL own generation has increased due to the following main reasons:

- Cost of furnace oil consumed by KESCL has increased from Rs. 40,502 per metric ton for the month of September 2010 to Rs. 44,781 per metric ton for the month of December 2010.
- Percentage of units generated on gas (as a percentage of overall units generated by KESCL) in December 2010 was lower by about 3% compared to September 2010. According to KESCL lower units were generated on gas due to short supply of gas in December 2010.

KESCL purchases from external sources

15. The Authority further observed that the overall power purchase cost from the external sources of KESCL has increased from Rs. 6.98 /kWh. for the month of September 2010 to Rs. 8.36 /kWh. for the month of December 2010 i.e. an increase of Rs. 1.38 /kWh. It was further observed by the Authority that KESCL purchased 79.15% of its total power purchases for the month of December 2010 from NTDC, whose unit price has increased from Rs. 5.46 /kWh. for the month of September 2010 to Rs. 7.10 /kWh. for the month of December 2010 i.e. an increase of Rs. 1.64 /kWh.
16. The Authority observed that KESCL has used energy transfer rate charged by NTDC for the purposes of working out the amount of power purchase cost variation. However, the energy transfer rate approved by the Authority for XWDISCOs was different from the one charged by NTDC. The Authority in accordance with its earlier decisions on this subject hereby only allows variation from the energy transfer rates approved by it for XWDISCOs.
17. A comparative analysis of the adjustment in KESCL tariff required for bringing it to the tariff level of December 2010, as requested by KESCL and approved by the Authority is tabulated below:

		Requested by KESCL	Approved by the Authority
<u>KESCL own generation</u>			
Fuel cost variation of December 2010 over September 2010	Rupees in million	221.07	221.07
<u>KESCL purchases from external sources</u>			
Power purchase cost variation of December 2010 over September 2010	-- Do. --	866.73	812.60





Total variation	-- Do. --	1,087.80	1,033.67
Units sold at 23% T & D losses for December 2010	GWh.	731.23	731.23
Required adjustment in tariff	(Ps/kWh)	148.76	141.36

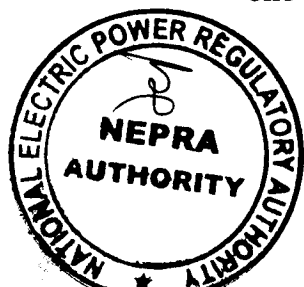
Unrecovered costs for the current quarter

18. KESCL has requested for allowing it recovery of the following unrecovered costs:

Rs. in million

Description	Requested by KESCL
Variation in O & M costs of IPPs and other external sources	74.17
Variation in capacity charges of IPPs and other external sources	67.45
Un-recovered fuel cost due to non-adjustment of T&D losses in the monthly fuel cost adjustments	291.24
Adjustment of over recovered cost of the previous quarter	(86.21)
Adjustment of increase in fixed cost of KANUPP	25.93
Adjustment of increase in fixed cost of Pakistan Steel Mills Limited	20.77
Workers welfare fund and workers (profit) participation fund payment to Tapal Energy Ltd. and Gul Ahmed Energy Ltd.	107.12
Amortization of mobilization advance payment to Aggreko (March 2009 to December 2010)	99.78
Customs duties payment and currency adjustments of Aggreko	69.35
Total	669.60
Estimated units to be sold @ 23% T&D losses in the next quarter (January 2011 to March 2011) GWh	2,436
Required Adjustment in KESCL's tariff (Ps/kWh)	27.48

19. The monthly variation in O & M costs and capacity charges for the power purchased from external sources, accumulated and not recovered in the current quarter is required to be adjusted in the quarterly tariff adjustment of KESCL. There was a minor difference of Rs. 0.48 million in the variation in O & M costs of KESCL purchases from external sources, which could not be substantiated and accordingly has not been allowed by the Authority.
20. The un-recovered cost of fuel, due to the impact of T&D losses, not allowed in the monthly fuel price adjustments for the current quarter is required to be taken care of on quarterly basis. The Authority observed that KESCL has used actual energy transfer rate charged by NTDC for the period October 2010 – December 2010 for the purposes of working out the amount of power purchase cost variation. However, the energy transfer rate approved by the Authority for XWDISCOs was different from the one charged by NTDC. The Authority in accordance with its earlier decisions on this

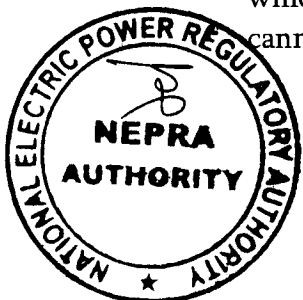


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subject allows variation from the energy transfer rates of NTDC as approved by it for other XWDISCOs.

21. The Authority reduced KESCL tariff by Ps.24.49 /kWh, while allowing quarterly adjustment for the quarter July 2010 to September 2010, for allowing recovery of minus Rs.731.40 million pertaining to that quarter. It was estimated at that time that sales of KESCL during current quarter will be 2,986.80 GWh. Actual units sold based on the Authority's allowed 23% T&D losses for the current quarter work out to 2,635 GWh due to which only Rs 645.19 million could be recovered, leaving a balance of minus Rs 86.21 million unrecovered. This unrecovered amount of minus Rs. 86.21 million is also required to be adjusted in the current quarter and accordingly is also a part of this adjustment.
22. KESCL has also requested for allowing Rs. 25.93 million on account of unrecovered fixed cost of KANUPP on the units purchased by KESCL from KANUPP from July 2010 to November 2010. As per the power purchase agreement (hereinafter referred to as the "PPA") between KANUPP and KESCL, the fixed cost component of KANUPP is linked with the yearly average generation fixed cost per unit sent out of KESCL power plants, that is all old and new power plants, as evaluated by an independent chartered accountant firm. According to the report of Rahim Jan & Company, Chartered Accountants dated December 30, 2010 audit of KESCL fixed generation cost for the year ended 30 June, 2010 was carried out. On the basis of fixed generation cost verified by Rahim Jan & Company, Chartered Accountants, KESCL has requested for allowing an increase of Ps. 14.6 /kWh in the existing fixed rate applied on the units purchased from KANUPP since July 2010 to November 2010. This cost portion is also required to be adjusted in the KESCL tariff.
23. KESCL has also requested for allowing Rs. 20.77 million on account of unrecovered fixed cost of Pakistan Steel Mills (hereinafter referred to as the "PASMIC") on the units purchased by KESCL from PASMIC from July 2010 to November 2010. According to the terms of PPA between PASMIC and KESCL, subject to the fulfillment of some conditions, fixed charge cost component of PASMIC is based on the fixed generation and transmission cost per unit sent out of KESCL plus 8% return on average fixed assets of KESCL. As per the calculation submitted by KESCL, prepared in accordance with the terms of PPA between PASMIC and KESCL, the fixed cost component chargeable by PASMIC works out to be Rs. 1.66 /kWh (previous fixed cost component was Rs. 1.05 /kWh). It was observed by the Authority that KESCL has included an amount of Rs. 2,747 million on account of interest on late payment to Sui Southern Gas Company Limited in its fixed generation cost due to which the fixed cost component chargeable by PASMIC has increased. The Authority cannot allow the pass through of these late payment charges to the consumers in any



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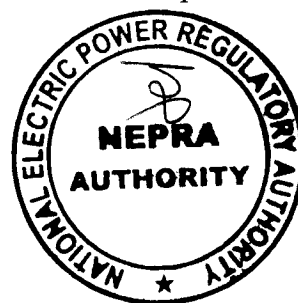
form and therefore does not approve the claim/request of KESCL to that extent. By deducting this amount, the fixed cost component of PASMIC allowed by the Authority works out to be Rs. 1.29 /kWh showing an increase of Ps. 23.70 /kWh from previous fixed cost component of Rs. 1.05 /kWh. This increase is required to be adjusted now for the units delivered by PASMIC to KESCL from July 2010 to November 2010. Accordingly the total unrecovered fixed cost works out to be Rs. 8.08 million [34.08 GWh i.e. units purchased from PASMIC by KESCL from July 2010 to November 2010 x 0.2370 i.e. increase in fixed cost allowed by the Authority] which needs to be adjusted in the current quarterly adjustment.

24. KESCL has also claimed/requested in its quarterly request the following costs:

	<u>Rupees in million</u>
Workers welfare fund and workers (profit) participation fund payment to Tapal Energy Limited and Gul Ahmed Energy Limited	107.12
Amortization of mobilization advance payment to Aggreko (March 2009 to December 2010)	99.78
Customs duties payment and currency adjustments of Aggreko	69.35
	<hr/> 276.25 <hr/>

While justifying these costs, KESCL explained during the hearing that these are fixed components of power purchase cost and as per para 9, Annex-B of the Authority's determination of 2009, these costs should be allowed.

25. The Authority has found that these costs have been disallowed by the Authority in its previous decisions. The Authority observed that in 2002 a multiyear tariff with fixed base rate was approved for KESCL and only variations in certain cost components, that is fuel costs, O&M costs and capacity charges were allowed to be passed on to the consumers during the multiyear tariff period. The Authority further observed that the latest determination of KESCL given by the Authority in December 2009 was in continuation of the spirit of 2002 determination.
26. The cost of workers welfare fund and workers (profit) participation fund of Tapal Energy Limited and Gul Ahmed Energy Limited have neither been claimed by KESCL in the past since 2002 nor allowed by the Authority to KESCL in any form. Moreover such costs, as per the respective PPAs, are required to be passed on through

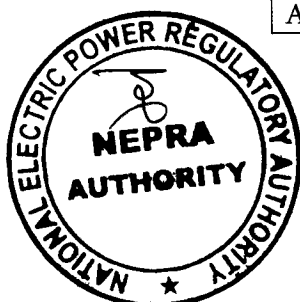




supplementary tariff for which there is no provision under the current adjustment mechanism.

27. With regards to the cost associated with the mobilization advance and customs duties of Aggreko, the Authority observed that these costs are neither the part of O&M costs nor of capacity charge of Aggreko's tariff. These are one time capital costs and cannot be allowed in the KESCL tariff.
28. In view thereof, the Authority has decided to disallow all these additional costs total sum of which is Rs. 276.25 million.
29. The Authority has observed that KESCL in its latest request has estimated that 2,436 GWh will be sold @ 23% T&D losses in the next quarter (January 2011 to March 2011). The Authority noted that this estimated figure of sales does not agree with the earlier figure of projected sales already submitted by KESCL, along with data for the monthly and quarterly tariff adjustments for the period July 2009 to March 2010. In the absence of any sound grounds for changing the earlier estimate, the Authority has decided to use the earlier estimated sales of 2,778 GWh @ 23% T&D losses in the next quarter.
30. A comparative analysis of the adjustment in KESCL tariff for the un-recovered costs of the quarter October 2010 to December 2010, to be recovered as per request by KESCL and approved by the Authority is tabulated below:

Rs. in million		
Description	Requested by KESCL	Approved by the Authority
Variation in O & M costs of IPPs and other external sources	74.17	73.69
Variation in capacity charges of IPPs and other external sources	67.45	67.45
Un-recovered fuel cost due to non-adjustment of T&D losses in the monthly fuel cost adjustments	291.24	27 8.79
Adjustment of over recovered cost of the previous quarter	(86.21)	(86.21)
Adjustment of increase in fixed cost of KANUPP	25.93	25.93
Adjustment of increase in fixed cost of Pakistan Steel Mills Limited	20.77	8.08
Workers welfare fund and workers (profit) participation fund payment to Tapal Energy Limited and Gul Ahmed Energy Limited	107.12	-
Amortization of mobilization advance payment to Aggreko (March 2009 to December 2010)	99.78	-





Customs duties payment and currency adjustments of Aggreko	69.35	-
Total	669.60	367.73
Estimated units to be sold @ 23% T&D losses in the next quarter (January 2011 to March 2011) GWh	2,436	2,778
Required Adjustment in KESCL's tariff (Ps/kWh)	27.48	13.24

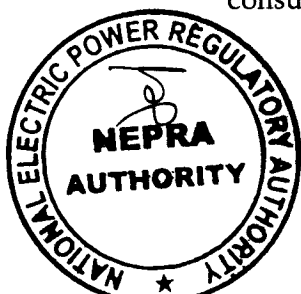
31. The above mentioned increase in tariff by Ps 13.24 /kWh will be applicable for the next quarter only i.e. January 2011 to March 2011 and will cease automatically at the end of that quarter. However, any amount which remained under-recovered/ over-recovered on this account, due to variation in the actual number of units sold from the above estimated sales shall be adjusted in the tariff of subsequent quarter.

**Reversal of tariff adjustment which was applicable for the current quarter only**

32. The Authority in its previous quarterly adjustment pertaining to July 2010 to September 2010 determined Ps. 24.49 /kWh decrease in KESCL's tariff for adjustment of unrecovered amount of minus Rs 731.40 million by KESCL. As per the direction in the same decision this decrease of Ps. 24.49 /kWh is required to be added back in the KESCL's current quarterly adjustment in order to nullify its impact in the schedule of tariff.
33. The overall cumulative increase in the KESCL's tariff for the current quarter as discussed in the preceding paragraphs works out to be Ps.179.09 /kWh as detailed below:

	Paisas per kWh
Changing the reference tariff from September 2010 to December 2010	141.36
Unrecovered costs for the current quarter	13.24
Reversal of tariff adjustment which was applicable for the current quarter only	24.49
	<u>179.09</u>

34. In order to allow adjustment in KESCL's tariff for the aforesaid cost variation for the current quarter, the Authority has decided to allow a uniform increase in consumer-end tariff for all consumer categories by paisa 180 per kWh except for the life-line consumers consuming up to 50 units per month. The revised schedule of tariff to be

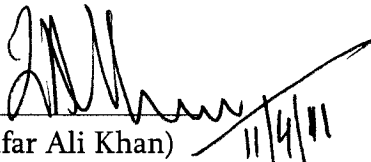


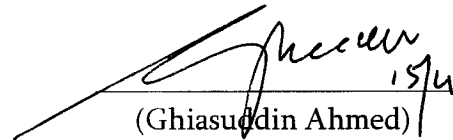
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applicable from January 01, 2011 to March 31, 2011 is attached herewith as Annexure-I.

Authority:

  
(Zafar Ali Khan)  
Member

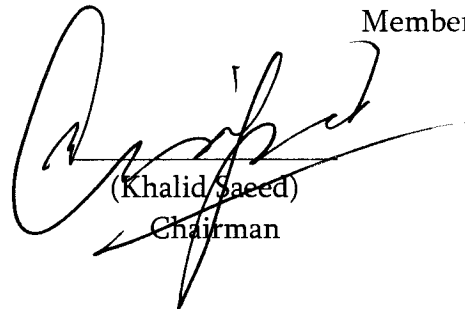
  
(Ghiasuddin Ahmed)  
Member

(\*)

(Maqbool Ahmad Khawaja)  
Member


on leave

(Shaukat Ali Kundi)  
Member/Vice Chairman

  
(Khalid Saeed)  
Chairman

- (\*) Non compliance of directives of Authority Dec-2008 by KESC regarding non utilization of <sup>Generation</sup> capacity available, not performing Heat rate test of Plants as well as non separation of Cost Centres Separate for Gen, transmission & distribution is being continued. As such as per decision of Authority & mechanism approved, KESC in my opinion do not qualify for adjustment till its complies directives of Authority. I therefore dissent the decision of Authority as a matter of Principle.



  
MAQBOOL AHMAD KHAWAJA  
D(S)

**SCHEDULE OF ELECTRICITY TARIFF  
FOR KARACHI ELECTRIC SUPPLY COMPANY LIMITED (KESCL)**

**A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
a)	For Sanctioned load less than 5 kW	-	2.00	
i	Up to 50 Units			
	For Consumption exceeding 50 Units			
ii	1- 100 Units		10.75	
iii	101- 300 Units		12.25	
iv	301- 700 Units	-	14.45	
v	Above 700 Units	-	16.05	
b)	For Sanctioned load 5 kW & above	-	Peak	Off-Peak
	Time Of Use		17.05	11.05

Under tariff A-1, there shall be minimum monthly customer charge at the following rates even if no energy is consumed.

a) Single Phase Connections:

Rs. 75/- per consumer per month

b) Three Phase Connections:

Rs. 150/- per consumer per month

**A-2 GENERAL SUPPLY TARIFF - COMMERCIAL**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
a)	For Sanctioned load less than 5 kW	400.00		16.55
b)	For Sanctioned load 5 kW & above			13.75
			Peak	Off-Peak
c)	Time Of Use	400.00	18.05	12.55

Under tariff A-2, there shall be minimum monthly charges at the following rates even if no energy is consumed.

a) Single Phase Connections;

Rs. 175/- per consumer per month

b) Three Phase Connections:

Rs. 350/- per consumer per month

**B INDUSTRIAL SUPPLY TARIFFS**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
B1	Less than 5 kW (at 400/230 Volts)	-	13.05	
B2(a)	5-500 kW (at 400 Volts)	400.00	11.65	
B3(a)	For all loads upto 5000 KW (at 11,33 kV)	380.00	11.25	
B4(a)	For all loads upto 5000 KW (at 66,132 kV)	360.00	10.85	
	Time Of Use		Peak	Off-Peak
B2(b)	5-500 kW (at 400 Volts)	400.00	17.05	10.80
B3(b)	For All Loads up to 5000 kW (at 11,33 kV)	380.00	16.55	10.30
B4(b)	For All Loads (at 66,132 kV & above)	360.00	16.05	10.05
B5	For All Loads (at 220 kV & above)	340.00	15.55	9.80

For B1 consumers there shall be a fixed minimum charge of Rs. 350 per month.

For B2 consumers there shall be a fixed minimum charge of Rs. 2,000 per month.

For B3 consumers there shall be a fixed minimum charge of Rs. 50,000 per month.

For B4 consumers there shall be a fixed minimum charge of Rs. 500,000 per month.

For B5 consumers there shall be a fixed minimum charge of Rs. 1000,000 per month.

**C SINGLE POINT SUPPLY FOR PURCHASE IN BULK BY A DISTRIBUTION LICENSEE  
AND MIXED LOAD CONSUMERS NOT FALLING IN ANY OTHER CONSUMER CLASS**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
C-1	For supply at 400/230 Volts	-	13.05	
a)	Sanctioned load less than 5 kW		12.20	
b)	Sanctioned load 5 kW & up to 500 kW			
C-2(a)	For supply at 11,33 kV up to and including 5000 kW	380.00	12.20	
C-3(a)	For supply at 132 and above, up to and including 5000 kW	360.00	12.05	
	Time Of Use		Peak	Off-Peak
C-1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	400.00	17.05	11.05
C-2(b)	For supply at 11,33 kV up to and including 5000 kW	380.00	16.55	10.25
C-3(b)	For supply at 132 kV up to and including 5000 kW	360.00	16.05	10.05



### D - AGRICULTURE TARIFF

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES	
			Rs/kWh	
D-1	For all Loads	200.00		10.97
	Time of Use		Peak	Off-Peak
D-2	For all Loads	200.00	17.09	9.09

Note:- The consumers having sanctioned load less than 5 kW can opt for TOU metering.

### E - TEMPORARY SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES	
			Rs/kWh	
E-1(i)	Residential Supply	-		16.45
E-1(ii)	Commercial Supply	-		19.35
E-2 (i)	Industrial Supply	-		16.05
E-2 (ii)	Bulk Supply			
	(a) at 400 Volts	-		16.45
	(b) at 11 kV			16.05

For the categories of E-1(i&ii) and E-2 (I&ii) above, the minimum bill of the consumers shall be Rs. 50/- per day subject to a minimum of Rs.500/- for the entire period of supply, even if no energy is

### F - SEASONAL INDUSTRIAL SUPPLY TARIFF

125% of relevant industrial tariff

Note:

*Tariff-F consumers will have the option to convert to Regular Tariff and vice versa. This option can be exercised at the time of a new connection or at the beginning of the season. Once exercised, the option remains in force for at least one year.*

### G- PUBLIC LIGHTING

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES	
			Rs/kWh	
	Street Lighting	-		16.05

Under Tariff G, there shall be a minimum monthly charge of Rs.500/- per month per kW of lamp capacity installed.

### H - RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES	
			Rs/kWh	
	Residential Colonies attached to industrial premises	-		14.05

