



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad  
Ph: +92-51-9206500, Fax: +92-51-2600026  
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/R/TRF-362/K-Electric-2016/39736-40

October 25, 2021

Chief Executive Officer  
K-Electric Limited (KEL)  
KE House, Punjab Chowrangi,  
39 – B, Sunset Boulevard, Phase-II  
Defence Housing Authority, Karachi.

**Subject: Decision of the Authority in the matter of Monthly Fuel Charges Adjustments of K-Electric Limited for the month of July 2021 and Notification (S.R.O. 1393(I)/2021 dated 25.10.2021 ) Thereof**

Enclosed please find herewith a copy of decision of the Authority (11 pages) in the matter of fuel charges for the month of July 2021 in respect of K-Electric Limited, along with Notification (S.R.O. 1393(I)/2021 dated 25.10.2021) thereof. This is for information and further necessary action.

2. While reflecting the Fuel Adjustment Charges, K-Electric Ltd. shall keep in view and strictly comply with the orders of the court(s), if any, notwithstanding this order.

Enclosure: As above (Decision along Notification is also available on NEPRA's website)

  
( Syed Safer Hussain )

CC:

1. Secretary, Ministry of Energy, Power Division, 'A' Block, Pak Secretariat, Islamabad.
2. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
3. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
4. Secretary, Privatization Commission, 4<sup>th</sup> Floor, Kohsar Block, Constitution Avenue, New Secretariat, Islamabad

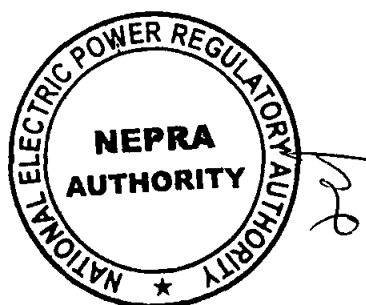
**DECISION OF THE AUTHORITY IN THE MATTER OF MONTHLY FUEL CHARGES  
ADJUSTMENTS OF K-ELECTRIC LIMITED FOR THE MONTH OF JULY 2021**

1. Pursuant to the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997, and as per the mechanism for monthly, quarterly and annual adjustments provided in the tariff determination of K-Electric Limited (herein referred to as "K-Electric or KE") dated July 05, 2018, duly notified in the official Gazette vide SRO No. 576(I)/2019 dated May 22, 2019, the Authority has to review and revise the approved tariff on monthly, quarterly and annual adjustments.
2. As per the mechanism provided in the determination, impact of change in KE's own generation fuel cost component due to variation in fuel prices, generation mix & volume shall be passed on to the consumers directly in their monthly bills in the form of Fuel Charges Adjustment (FCA). Similarly, impact of change in the fuel component of Power Purchase Price (PPP) due to variation in fuel prices & energy mix shall also be passed on to the consumers through monthly FCA.
3. However, the impact of monthly variations in million rupees in K-Electric's own generation's fuel cost component as well power purchase price to the extent of targeted T&D losses, not taken into account in the monthly FCAs, shall be adjusted on quarterly basis.
4. Pursuant to notification of the determined MYT, KE filed its monthly FCA request for July 2021. A summary of the adjustment requests filed by K-Electric is as under;

Monthly FCA		
Month	Mln Rs.	Rs./kWh
Jul-21	1,091	0.555

**Hearing**

5. Since the impact of any adjustments has to be made part of the consumer end tariff, therefore, the Authority, in order to provide an opportunity of hearing to all the concerned and meet the ends of natural justice, decided to conduct a hearing in the matter.
6. The Authority scheduled hearing in the matter of FCAs of K-Electric for the month of July 2021 on 02.09.2021 through ZOOM. Notices in this regard were published in the newspaper on August 25, 2021 and also uploaded on NEPRA's website along-with adjustment requests filed by K-Electric. Individual notices were also sent to the stakeholders.



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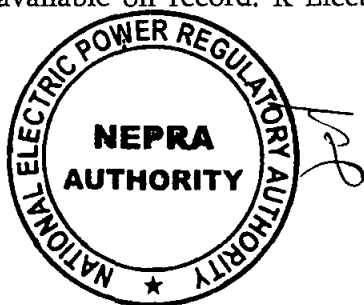
7. Following issues were framed for discussion during the hearing;
- i. Whether the requested Fuel price variations are justified?
  - ii. Whether the requested quarterly variations are justified?
  - iii. Whether, the K-Electric has followed the merit order while giving dispatch to its power plants as well as power purchases from external sources?
  - iv. Whether there should be any amendment in Terms and Conditions of Tariff (For Supply of Electric Power to Consumers by Supply Licensees) keeping in view the changes in Consumer Service Manual?

8. The hearing was attended by CFO K-Electric along-with his team. Representatives from KCCI, Media and General Public also attended the hearing. K-Electric during the hearing submitted that at the time of submission of its FCA request, the Authority's approved Fuel rate of XWDISCOs for the month of July 2021 was not available, thereof, K-Electric used the last available rate of June 2021 in its workings. K-Electric accordingly requested that the amount claimed on account of energy purchased from CPPA-G is subject to adjustment based on the FCA decision of the Authority in the matter of XWDISCOs for July 2021.

9. The Authority noted that the Power purchase agreement was signed between NTDCL and K-Electric on January 26, 2010 for five years for sale/purchase of 650MW on basket rates. Subsequently, a decision was made by the Council of Common Interest (CCI) in its meeting held on November 08, 2012 with respect to the modalities for withdrawal of electric power from NTDCL by the Petitioner, wherein it was decided to reduce the supply of energy by 300MW from NTDCL to K-Electric. However, the aforementioned decision of the CCI has been impugned by way of suits /petitions by K-Electric in the Honorable High Court of Sindh at Karachi. No new agreement has been signed between K-Electric and NTDCL till date, and K-Electric is continuing to draw energy from the National Grid, which at present is around 1100 MW.

10. The Authority observed that both KGTPS and SGTPS were not operated by K-Electric to their full capacities, and also less energy was withdrawn from NTDC (National Grid) consecutively for number of days. Similarly KCCPP was operated on HSD. The Authority also took serious notice of non-signing of GSA between K-Electric with SSGC, and inquired why the consumers shall bear inefficiencies and challenges on the part of K-Electric.

11. K-Electric during the hearing submitted that both STGPS and KGPTS are at tail end, resulting in low gas pressure as SSGC infrastructure is depleted, and requires rehabilitation. SSGCL has been asked time and again to make the required investments to improve the gas pressure issue and remove other technical issues. Various correspondence have been made in this regard with SSGC, which are available on record. K-Electric further submitted that merit order considers



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availability of plant and its fuel sources and if fuel is not provided by SSGC, next available plant is despatched in order to provide relief to the consumers instead of load shedding.

12. On the point of having a dedicated infrastructure, K-Electric submitted that it had offered SSGC to provide a dedicated infrastructure at the cost of K-Electric, however, because of being within the city and Right of Way (ROW) issues, fully dedicated infrastructure is not possible.

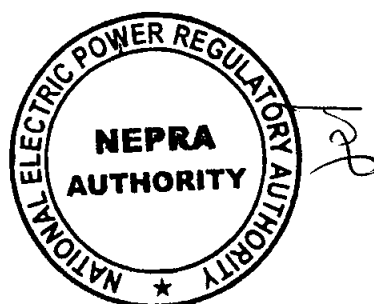
13. The Authority further inquired that whether any feasibility study at the time of incorporation of SGTPS and KGTPS plants was carried out, knowing the fact that plants were at tail end and would result in low gas pressure.

14. K-Electric submitted that feasibility studies were carried out, gas pressure was available at that time and all these issues were deliberated at the time of grant of generation license by the Authority. The Authority directed K-Electric to provide details of plant operation for the last 10 years to evaluate the issue.

15. Mr. Arif Bilwani during hearing and in its written comments submitted that cost of fuel for K-Electric's own generation is Rs.7.162/kWh, whereas for power purchased, it is only Rs.4.257/kWh. Fuel cost of the most efficient plants of K-Electric i.e. BQPS-2 and KCCPP is Rs.13.93/ kWh and Rs.14.51/kWh respectively, which is unnecessarily burdening the consumers, being a Pass through item. Further, BQPS-I (Unit-3) has already been excluded from the Generation License of K-Electric, however, the same are still being operated. Similarly, costlier energy is being procured from Tapal, Gul Ahmad and Lotte Chemical under the garb of necessity and power shortage. Mr. Bilwani submitted that instead of operating BQPS-I, K-Electric should consider getting energy from Coal power plants and K2 & K3 located in its licensed territory, which will also result in reduction in transmission losses, incurred while transmitting energy from South to North.

16. Mr. Zubair Motiwala, representing KCCI, submitted that K-Electric's own generation cost is higher as compared to the cost of power purchased. He stated that operation of inefficient BQPS-I is being allowed along-with Tapal and Gul Ahmed power plants, who have already outlived their useful lives. Since fuel cost is a pass through item for K-Electric, therefore, K-Electric would continue to operate these inefficient plants, whose efficiencies will further go down and K-Electric would claim much higher costs on account of FCAs in future. Mr. Motiwala suggested that K-Electric should opt for power from National Grid instead of operating its own inefficient plants.

17. Mr. Tanvir Bari, a consumer of K-Electric, also raised the issues of low gas pressure and non-availability of GSA of K-Electric with SSGC.



18. Mr. Usman, another consumer submitted that delay in completion of RLNG plant shall not be allowed to be passed on to the consumers.

19. Mr. Aneel Mumtaz, a consumer, highlighted that K-Electric, for the energy purchased from CPPA-G during July 2021, has used the Authority's approved rate of June 2021, instead of July 2021.

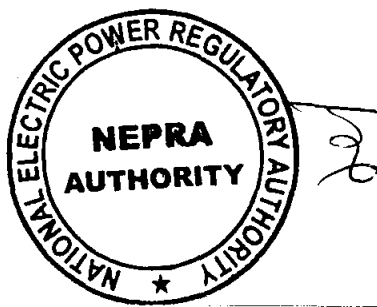
20. K-Electric in response to KCCI submissions, stated that its 900 MW RLNG highly efficient BQPS-III power plant will be commissioned next month and its 2<sup>nd</sup> unit will become operational in December / January 2022. Thus, burden on BQPS-I will be minimized, which would only be operated at the time of peak load, being at the bottom of merit order. This will result in reduction in fuel cost owing to better efficiency of BQPS-III and lower cost of RLNG as compared to RFO. Regarding Tapal and Gul Ahmed, K-Electric submitted that at the time of renewal of their generation licenses/ tariff determinations, power availability at National Grid/ NTDC level was considered keeping in view system stability and other technical limitations/ constraints. The decision was taken after evaluations of all these factors. K-Electric also submitted that they are planning to have around 2050 MW from National Grid for which consultations are being carried out with CPPA-G and NTDC.

21. Regarding operation of BQPS-I (Unit-3), the Authority vide decision dated 15.09.2021 in the matter of LPM in the Generation License of K-Electric has decided as under;

*"...However, in view of the demand supply situation in the area of KEL and to avoid load shedding during the hot summer months, the Authority considers it prudent to allow operation of Unit-3 of BQPS-1 for the interim period (i.e. May to August 15, 2021). Further, the Authority decides that the cost of interim operation of Unit-3 of BQPS-I be passed on to the consumers to the extent of Fuel Cost Component (FCC) of BQPS-III/Plant-VI and any incremental/additional cost incurred should be borne by KEL itself."*

22. K-Electric, in its adjustment requests, has certified that it despatches as per Economic Merit Order from its own generation units (with the available fuel resources) and import from external sources. It also certified that the cost of fuel and power purchase claims do not include any amount of late payment surcharge/mark-up/interest.

23. K-Electric provided the plant wise generation statistics sheet, signed by K-Electric employees. The plant wise statistic sheets provide information in terms of Plant Capacity, Actual Units Generated, Actual Auxiliary consumption, Net Generation and Bus Bar sent outs, Actual Heat Rates, fuel consumption & cost of Fuel and Generation cost per unit. In addition K-Electric also provided copies of invoices raised by Fuel Suppliers and copies of invoices raised by IPPs. The Authority also asked for certain additional information from K-Electric with respect to calorific



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Note 1

value of RFO consumed, status of fuel supply agreements, Audited accounts of IPPs, plant utilization factors, detail of penalties imposed on external power sources etc.

24. The Authority based on the information, data and record provided by K-Electric, has analyzed the FCA claim of K-Electric and issue wise discussion is given hereunder. The issue regarding quarterly variations has been deliberated in the quarterly tariff decision of K-Electric for the period from April to June 2021.

**Issue: Whether the requested Fuel price variations are justified?**

**K-Electric Own Generation**

25. In order to verify the generation numbers reported by K-Electric, the Authority analyzed the plant wise generation statistics sheet, provided by K-Electric. The sheet provided information in terms of plant capacity, actual units generated, actual auxiliary consumption, net generation and bus bar sent outs, actual heat rates, fuel consumption & cost of fuel and generation cost per unit. While going through the data / information provided by K-Electric regarding fuel cost of energy from its own power plants, the Authority's observations are as under;

26. As per the mechanism of FCA allowed to K-Electric, the actual FCC for the last month of the Quarter becomes reference FCC for next quarter. K-Electric in its FCA requests for the month of Jul 2021 did not use the updated reference i.e. Jun 2021. The same has been updated while working out the instant FCA.

27. K-Electric, as required under the MYT, carried out heat rate test of KCCPP. Pursuant thereto, the Authority, in its decision dated 02.09.2020 decided as under;

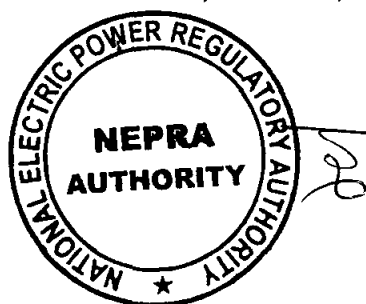
*"i. For the period from July 2016 to May 2019, the heat rate i.e. 8,250.06 Btu/kWh - net HHV, corresponding to 41.36% efficiency is approved with no further adjustment for degradation and partial loading allowed.*

*ii. For the period from June 2019 to June 2023, the heat rate i.e. 8,377.032 Btu/kWh - net HHV, corresponding to 40.732% efficiency is approved. This heat rate will be applicable for the control period on flat basis, without any additional adjustment for other parameters.*

*iii. KE is required to conduct maintenance including Major Overhaul of its plants / units as per prudent utility practices and recommendations of OEM.*

*iv. In case of non-requirement of Gas compressors - the relevant capacity and Heat rates would be adjusted. For such a scenario, relevant capacity and heat rates calculated during the present tests would be used."*

28. K-Electric, has filed a motion for leave for review against the Authority's decision dated 02.09.2020, which has not yet been decided, therefore, K-Electric has used the heat rate of 8,497



BTU/kWh, as allowed in the MYT determination, while working out its instant adjustments. The Authority, however, for the purpose of instant adjustments has considered the heat rates, as approved vide decision dated 02.09.2020. This has resulted in reduction in fuel cost claimed by K-Electric for KCCPP by around Rs.14.89 million, which has accordingly been adjusted while processing of the instant monthly FCA of K-Electric. In case of any subsequent revision in heat rates of KCCP, on the basis of Review motion filed by K-Electric, the impact of the same would be adjusted in the subsequent tariff adjustments of K-Electric.

29. The Authority has also allowed K-Electric to operate its KCCPP on backup fuel i.e. HSD. The Authority vide letter dated 29.06.2021, addressed to K-Electric, approved the provisional cost of generation of KCCPP on HSD at actual up till the summer month of August 2021 or approval of heat rate test result by the Authority, whichever is earlier. In general power generation on costlier fuel needs to be avoided, therefore, power generation through HSD, if any shall be justified by K-Electric. K-Electric accordingly, claimed fuel cost on account of HSD Operations of KCCP, as per actual amounting to Rs.38.057 million for the month of July 2021.

30. Based on the above decision of the Authority, the actual cost of operation of KCCPP on HSD amounting to Rs.38.057 million, as claimed by KE has been considered provisionally in the instant FCA of July 2021, subject to adjustment based on the final decision of the Authority in the matter.

31. For KGTPS and SGTPS plants, pursuant to the heat rate tests conducted by K-Electric, the Authority approved the following Heat Rates for these plants vide decisions dated 18.01.2020, against the already allowed Heat Rates of 8,738 for KGTPS and 8,746 for SGTPS in the MYT;

Heat Rate for July 2016 – June 2019

**Requested by KE:**

Plant	Net HHV Heat Rate (Btu/kWh) at RSC	Corresponding Efficiency
KGTPS	9276 <sup>1</sup>	36.78%

1. Average of 7 year Heat Rate (FY 2017-23) corresponding to 50% loading (2 sections in CC mode)

**Allowed:**

Plant	Net HHV Heat Rate (Btu/kWh) at RSC	Corresponding Efficiency	
KGTPS	100% loading	9041.66	37.74%
	75% loading	9092.66	37.527%

Heat Rate for July 2019 – June 2023

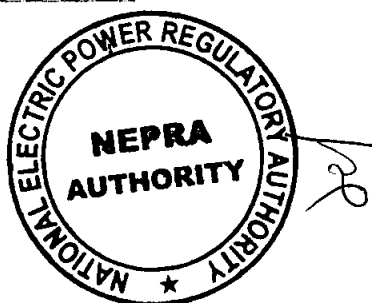
**Requested by KE:**

Plant	Net HHV Heat Rate (Btu/kWh) at RSC	Corresponding Efficiency
KGTPS	9276 <sup>1</sup>	36.78%

1. Average of 7 year Heat Rate (FY 2017-23) corresponding to 50% loading (2 sections in CC mode)

**Allowed:**

Plant	Net HHV Heat Rate (Btu/kWh) at RSC	Corresponding Efficiency	
KGTPS	100% loading	9048.22	37.71%
	75% loading	9099.212	37.499%



**Decision of the Authority in the matter of Monthly Fuel Charges Adjustments  
of K-Electric Limited for the Period from July 2021**

**Heat Rate for July 2016 ~ June 2019**

**Requested by KE:**

Plant	Net HHV Heat Rate (Btu/kWh) at RSC	Corresponding Efficiency
SGTPS	9264 <sup>1</sup>	36.83%

1. Average of 7 year Heat Rate (FY 2017-23) corresponding to 50% loading (2 sections in CC mode)

**Allowed:**

Plant	Net HHV Heat Rate (Btu/kWh) at RSC		Corresponding Efficiency
SGTPS	100% loading	9045.93	37.72%
	75% loading	9064.794	37.642%

**Heat Rate for July 2019 ~ June 2023**

**Requested by KE:**

Plant	Net HHV Heat Rate (Btu/kWh) at RSC	Corresponding Efficiency
SGTPS	9264 <sup>1</sup>	36.83%

1. Average of 7 year Heat Rate (FY 2017-23) corresponding to 50% loading (2 sections in CC mode)

**Allowed:**

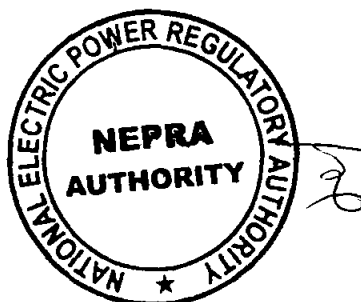
Plant	Net HHV Heat Rate (Btu/kWh) at RSC		Corresponding Efficiency
SGTPS	100% loading	9077	37.59%
	75% loading	9095.92	37.512%

32. K-Electric has filed review motions against the above decisions and accordingly used heat rates for KGTPS and SGTPS as allowed in the MYT determination, which are on the lower side. Accordingly, for the purpose of calculation of instant adjustment requests, the Authority has also considered the heat rates / Auxiliaries of KGTPS and SGTPS as allowed in the MYT determination. Here it is pertinent to mention that since K-Electric has filed review motions against the above mentioned decisions of the Authority, therefore, in case of any subsequent revision in the heat rates of KGTPS and SGTPS, on the basis of Review motion filed by K-Electric, the impact of the same would be adjusted in the subsequent tariff adjustments of K-Electric.

33. As mentioned earlier, the Authority in the matter of LPM in the Generation License of K-Electric vide decision dated 15.09.2021, regarding operation of Unit 3 of BQPS-I, has decided as under;

*"...However, in view of the demand supply situation in the area of KEL and to avoid load shedding during the hot summer months, the Authority considers it prudent to allow operation of Unit-3 of BQPS-1 for the interim period (i.e. May to August 15, 2021). Further, the Authority decides that the cost of interim operation of Unit-3 of BQPS-I be passed on to the consumers to the extent of Fuel Cost Component (FCC) of BQPS-III/Plant-VI and any incremental/additional cost incurred should be borne by KEL itself."*

34. Based on the aforementioned decision of the Authority dated 15.09.2021, cost of energy generated from unit 3 of BQPS-I has been reworked by using provisional heat rate of 5,761 net



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LHV, as if this energy has been generated from BQPS-III power plant. This has resulted in downward adjustment of cost of Unit 3 of BQPS-I by Rs.392.75 million, during July 2021, which has been accordingly adjusted while processing of the instant FCA of July 2021. Here it is pertinent to mention that K-Electric has filed review against the above decision of the Authority, which has not yet been decided. In case of any subsequent revision is made in the LPM decision of the Authority, on the basis of Review motion filed by K-Electric, the impact of the same would be adjusted in the subsequent tariff adjustments of K-Electric.

35. For BQPS-I, K-Electric has also conducted the heat rate test, for which decision of the Authority is under process. Therefore, for the purpose of instant adjustments, heat rates of BQPS-I, as allowed in the MYT determination have been considered.

36. Regarding GIDC, K-Electric submitted that installment of GIDC arrears amounting to Rs.762 million per month in being billed by SSGC as per Supreme Court order dated 02.11.2020. However, NEPRA in its FCA decision for the month of June 2021 considering the fact that K-Electric has obtained stay order from the honorable SHC in the matter, decided not to allow any amount on account of GIDC till final decision by the honorable SHC in the matter. K-Electric accordingly stated that GIDC for the month of July 2021 will be claimed as per the final decision of the honorable SHC in the matter.

37. The generation reported by K-Electric in its adjustment requests have been checked from the plant wise generation statistics sheet; the units sent out have been worked out based on the Authority's allowed Auxiliaries. The units sent out so worked out are in agreement with the sent outs claimed by K-Electric in its adjustment requests.

38. Similarly, the monthly rates of Gas and RLNG used by K-Electric in its adjustment request, are same as approved by OGRA and charged by SSGCL to K-Electric. The rates of RFO claimed by K-Electric are comparable with the rates of PSO for the relevant period.

#### **Power Purchase Price- Fuel Cost**

39. While going through the data / information provided by K-Electric regarding fuel cost of energy purchased from external sources, the Authority's observations are as under;

40. Regarding KANUPP, the Authority observed that as per Clause 6, Billing and Payments, sub clause 6.01 of the PPA executed by K-Electric with KANUPP, for the energy supplied / purchased by KANUPP of KESC, as the case may be, bills shall be raised separately, but payment shall be made on net output basis. K-Electric, however, in its adjustment claims has included cost of energy purchased from KANUPP on gross basis i.e. without netting it off for the energy exported to KANUPP. The Authority, therefore, in line with clause 6.01 of the Agreement, has adjusted the energy as well as cost of KANUPP on net output basis.



41. The Authority observed that K-Electric while calculating the fuel cost of Gul Ahmed Energy Ltd. (GAEL) for the period from January to June 2021, used reference CV of 38,826.1 BTUs/Kg. The Authority, however, noted that as per the decision dated 03.06.2020, in the matter of review motion filed by GAEL, it has been allowed reference LHV Calorific Value of 38,584.49 BTUs/Kg and revised LHV calorific value as per actual, subject to minimum of 17,333 BTUs/lb (38,212.74 BTUs/Kg). Based on the allowed CV as per the decision dated 03.06.2020, the total fuel cost of GAEL for the month of July 2021, works out as around Rs.5,397 million instead of Rs.5,431 million, claimed by K-Electric. Accordingly, difference of around Rs.5.361 million has been adjusted from the cost of GAEL limited.

42. Regarding cost of energy purchased from CPPA-G during the month of July 2021, K-Electric has used the Authority's approved rate of XWDISCOs for the month of June 2021 instead of July 2021. K-Electric during the hearing submitted that at the time of submission of FCA request by K-Electric, the Authority's approved rate of XWDISCOs for the month of July 2021 was not available; K-Electric accordingly requested to consider the rate of July 2021, once it is approved by the Authority.

43. In view thereof, while working out the instant FCA of K-Electric, rate approved by the Authority for XWDISCOS for July 2021 has been incorporated for the energy purchased by K-Electric from CPPA-G during July 2021. This has resulted in increase in total fuel cost by around Rs.762 million.

44. The Authority vide its determination dated February 10, 2017 in the matter of tariff determination of STDC for 132 kV transmission line project, decided to cap the loss threshold for STDC at 1%. Subsequently, the Authority while deciding the Review Motion of STDC dated June 14, 2018, allowed a maximum of 1.5% transmission losses provisionally for the period of six months from COD. The CoD was achieved by the plants in January 2018, thus, maximum of 1.5% transmission losses to STDC was allowed only from January to June 2018. Afterwards, the Authority vide decision dated 09.01.2020, allowed a Transmission loss level with a cap of 2% to STDC, from the date of the decision i.e. 09.01.2020 onward. Accordingly, for the period from 09.01.2020 onward, including the current period under consideration, STDC losses with a cap of 2% have been considered while working out the instant tariff adjustments of K-Electric.

45. Here it is pertinent to mention that while working out the FCA of K-Electric, the impact of positive monthly FCA not to be recovered from the life line consumers would be accounted for in the quarterly adjustments.



**Issue: Whether K-electric has followed the merit order while giving dispatch to its power plants as well as power purchases from external sources?**

46. The Authority, during the hearing observed that prima facie, certain efficient power plants were not fully utilized and instead energy from inefficient sources was generated. The Authority observed that both KGTPS and SGTPS were not operated by K-Electric to their full capacities, and also less energy was withdrawn from NTDC (National Grid) during consecutive hours for a number of days. Similarly KCCPP was operated on HSD.

47. The Authority carried out an in-house analysis of the data provided by K-Electric for the month of July, 2021, to work out the financial impact due to deviation from EMO. K-Electric was accordingly, asked the reasons for operation of its plant on HSD. K-Electric in this regard has submitted that due to shortage of gas and high demand there was no option available with K-Electric but to generate energy on HSD. The Authority, in view thereof, has decided to treat the same as a fuel constraint, on the same lines as in the case of financial impact incurred due to non-availability of RLNG to power plants dispatched by NPCC. Therefore, for the instant month no cost is being deducted on this account. However, the Authority vide letter dated 16.09.2021, has directed K-Electric to finalize its Gas Supply Agreement/Other arrangement to ensure gas availability at its SGTPS and KGTPS power plants and resolve the gas shortage/less gas pressure issue within 30 days. In case, any future violations are observed on account of shortage of gas/gas pressure then the financial impact of the same will not be allowed to KE

48. Regarding, lesser drawl from NTDC and simultaneous operation of BQPS-I on RFO, the issue was discussed with K-Electric, however, K-Electric has not provided any satisfactory evidence/justification in the matter. Accordingly, the Authority has decided not to allow the amount of Rs.7.7 million incurred due to lesser drawl from NTDC, until satisfactory clarification/evidence is submitted by K-Electric.

49. Regarding other technical issues, *inter alia*, System Operating Procedures, Generation capacity kept on standby mode by K-Electric and heat rates & auxiliaries etc., the Authority has decided that these issues would be dealt separately.

50. In view of the aforementioned discussion and after incorporating the above adjustments, the Authority has decided to allow the following positive FCA for the month of July 2021, to be recovered from the consumers directly in their monthly bills of November 2021;



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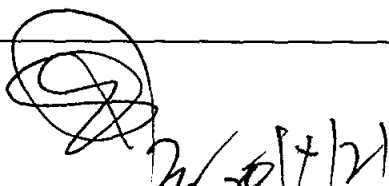
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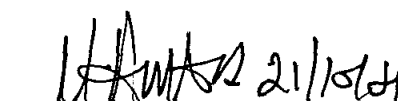
Description		Unit	Jun-21	Jul-21
Fuel Cost	Own Generation	Rs. Mln	14,543	13,655
	External Purchases	Rs. Mln	8,422	9,129
	Deviation from EMO		(184)	(8)
	Total	Rs. Mln	22,781	22,777
Total Units	Own Generation	GWh	960	854
	External Purchases	GWh	1,131	1,113
	Total	GWh	2,092	1,967
Fuel Cost Component (FCC)	Own Generation	Rs./kWh	6.8654	6.9391
	External Purchases	Rs./kWh	4.0267	4.6420
	Total	Rs./kWh	10.8921	11.5811
Fuel Charges Adjustment (FCA)	Own Generation	Rs./kWh		0.0737
	External Purchases	Rs./kWh		0.6153
	Total	Rs./kWh		0.6890
Variation in Fuel Cost	Own Generation	Rs. Mln		(20)
	External Purchases	Rs. Mln		1,210
	Deviation from EMO	Rs. Mln		(8)
	Total	Rs. Mln		1,355


51. In the light of above, the Authority hereby directs K-Electric that the positive FCA of July 2021 as worked out above;

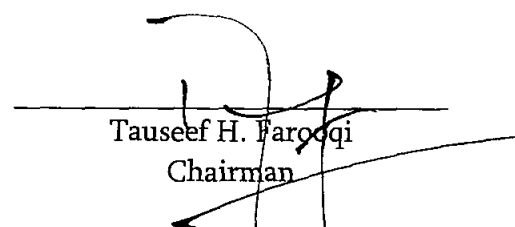
- a. Shall be applicable to all the consumer categories except lifeline consumers.
- b. Shall be shown separately in the consumers' bills on the basis of units billed to the consumers in the respective month to which the adjustment pertains.
- c. K-Electric shall reflect the fuel charges adjustment in respect of July 2021 in the billing month of November 2021.
- d. While effecting the Fuel Adjustment Charges, K-Electric shall keep in view and strictly comply with the orders of the courts notwithstanding this order.

**AUTHORITY**

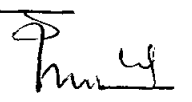
  
\_\_\_\_\_  
Rehmatullah Baloch  
Member

  
\_\_\_\_\_  
Engr. Maqsood Anwar Khan  
Member

  
\_\_\_\_\_  
Rafique Ahmed Shaikh  
Vice Chairman

  
\_\_\_\_\_  
Tauseef H. Farooqi  
Chairman



  
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25 x 21



# National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad  
Ph: +92-51-9206500, Fax: +92-51-2600026  
Web: www.nepa.org.pk, E-mail: registrar@nepa.org.pk

Registrar

No. NEPRA/R/TRF-362/K-Electric-2016/39734

October 25, 2021

The Manager  
Printing Corporation of Pakistan Press (PCPP)  
Khayaban-e-Suharwardi,  
Islamabad

Subject: Publication of Notification of Fuel Charges Adjustment

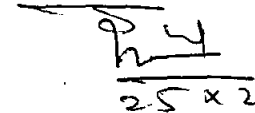
Pursuant to amendment in Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (NEPRA Act) through Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act 2011 (Act No. XVIII of 2011), the National Electric Power Regulatory Authority has been mandated to make the adjustments in the approved tariff on account of any variation in the fuel charges and notify the same in the official Gazette.

2. In exercise of power conferred by second proviso of sub-section 7 of Section 31 of NEPRA Act, the Authority has made adjustment in the approved tariff of K-Electric Ltd. and the same will be notified in the official Gazette.

3. Enclosed please find herewith (01) notification, regarding fuel charges adjustment for the period July 2021, in the approved tariff of K-Electric Ltd. for immediate publication in the official Gazette of Pakistan.

4. Thirty five (35) copies of the Notification may please be furnished to this office after publication.

Encl: (01 Notification)

  
( Syed Safer Hussain )  
Registrar

**To Be Published in  
Official Gazette of Pakistan Part-II**

**National Electric Power Regulatory Authority**




**NOTIFICATION**

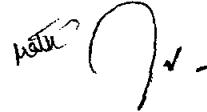
Islamabad, the 25<sup>th</sup> day of October 2021

S.R.O. (I)/2021.- Pursuant to Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 as amended through Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act 2011 and as per the mechanism for monthly, quarterly and annual adjustments provided in the Tariff Determination of K-Electric Ltd. dated July 05, 2018 duly notified in the official Gazette vide SRO No. 576(I)/2019 dated May 22, 2019, National Electric Power Regulatory Authority (NEPRA) makes and notifies the following adjustment in the approved tariff on account of variation in fuel charges for the month of July 2021 in respect of K-Electric Limited:

FCA to be calculated on the basis of billing for the Month of	Rs./kWh	Charged in Consumer Bills to be issued in the Month of
July 2021	0.6890	November 2021

2. The positive FCA of July 2021:
- Shall be applicable to all the consumer categories except lifeline consumers.
  - Shall be shown separately in the consumers' bills on the basis of units billed to the consumers in the respective month to which the adjustment pertains.
  - K-Electric shall reflect the fuel charges adjustment in respect of July 2021 in the billing month November 2021.
4. While effecting the Fuel Adjustment Charges, K-Electric Ltd. shall keep in view and strictly comply with the orders of the courts notwithstanding this order.

  
(Syed Safeer Hussain)  
Registrar



**To Be Published in  
Official Gazette of Pakistan Part-II**

**National Electric Power Regulatory Authority**



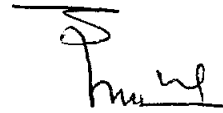
**NOTIFICATION**

Islamabad, the 25<sup>th</sup> day of October 2021

S.R.O. 1393 (I)/2021.- Pursuant to Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 as amended through Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act 2011 and as per the mechanism for monthly, quarterly and annual adjustments provided in the Tariff Determination of K-Electric Ltd. dated July 05, 2018 duly notified in the official Gazette vide SRO No. 576(I)/2019 dated May 22, 2019, National Electric Power Regulatory Authority (NEPRA) makes and notifies the following adjustment in the approved tariff on account of variation in fuel charges for the month of July 2021 in respect of K-Electric Limited:

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4. While effecting the Fuel Adjustment Charges, K-Electric Ltd. shall keep in view and strictly comply with the orders of the courts notwithstanding this order.

  
(Syed Safer Hussain)  
Registrar

