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No. NEPRA/R/ADG(Trf)/TRF-362/K-Electric-2016/9296-9298

June 8, 2022

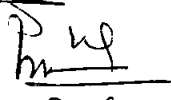
Subject: Decision of the Authority in the matter of Quarterly Adjustments of K-Electric Limited for the Quarters ending September 2021 and December 2021 [Case # NEPRA/TRF-362/K-Electric-2016]

Dear Sir,

Please find enclosed herewith the subject decision of the Authority along with quarterly Schedules of Tariffs (SoTs) (15 Pages).

2. The decision is being sent to the Federal Government for intimation and action, if any, by the Federal Government under Proviso (ii) of Section 31(7) of NEPRA Act, before its notification by NEPRA pursuant to the said Proviso of Section 31(7) of NEPRA Act, 1997.

Enclosure: As above


08 06 22
(Syed Safer Hussain)

Secretary
Ministry of Energy (Power Division)
'A' Block, Pak Secretariat
Islamabad

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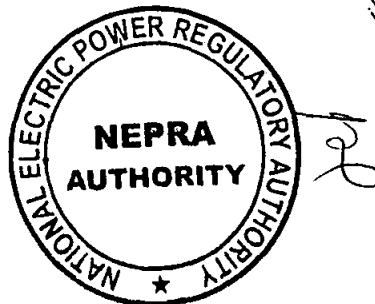
1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.

**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY ADJUSTMENTS OF
K-ELECTRIC LIMITED FOR THE QUARTERS ENDING SEPTEMBER 2021 & DECEMBER 2021**

Background

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 and 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 as to variation in fuel prices and energy mix shall also be passed on to the consumers through monthly FCA.
3. However, the impact of monthly variations in K-Electric 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, has to be adjusted on quarterly basis. In addition, the monthly variations in the variable O&M and fixed costs of the PPP, as allowed by the Authority, are required to be adjusted on quarterly basis. The impact of these variations is to be worked out based on targeted units to be sold in the next quarter and to be adjusted in the SoT of K-Electric. The actual payments in respect of WWF, WPPF etc. to the IPPs being pass through are to be adjusted on yearly basis upon production of verifiable documentary evidence.
4. Pursuant to notification of the determined MYT, K-Electric filed its Quarterly Adjustments requests on account of Power Purchase Price (PPP), indexation of O&M costs, adjustment of T&D losses etc. for the quarters ending September 2021 & December 2021 along with supporting documents.
5. For the quarter ending September 2021 KE initially requested Rs. 4.944/kWh, however subsequently KE revised its request to Rs.5.182/kWh vide letter dated December 16, 2021.
6. A summary of the quarterly adjustment requests filed by K-Electric for the quarters ending September 2021 to December 2021;

Quarterly Adjustments	
Quarter	Rs./kWh
Jul - Sep 2021	5.182
Oct - Dec 2021	(0.302)

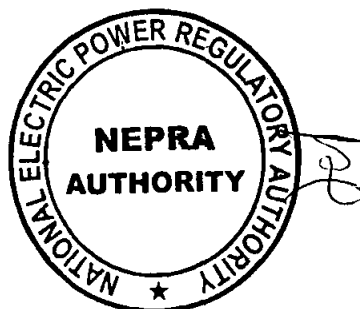


Hearing

7. 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.
8. The hearings were accordingly held on January 03, 2022 & March 01, 2022, through ZOOM. The advertisement for hearing was published in newspapers and separate notices were also sent to the stakeholders for inviting comments from the interested/ affected parties. Salient features and details of the proposed adjustments along-with with notice of hearing were also uploaded on NEPRA's website for information of all concerned.
9. Following issues were framed for discussion during the hearing;
 - i. Whether the requested quarterly variations are justified?
10. 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.
11. 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.
12. The Authority based on the information, data and record provided by K-Electric, has analyzed the quarterly adjustments of K-Electric and accordingly discussion on the issues pertaining to quarterly adjustment is as under;

Issue: Whether the requested quarterly variations are justified?

13. While going through the data / information provided by K-Electric regarding quarterly adjustments, the Authority's observations are as under;
14. The Authority while going through the data / information provided by K-Electric 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 of energy purchased from KANUPP has not claimed on net basis i.e. without netting it off for the energy exported to KANUPP in the month of July & August 2022. 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.



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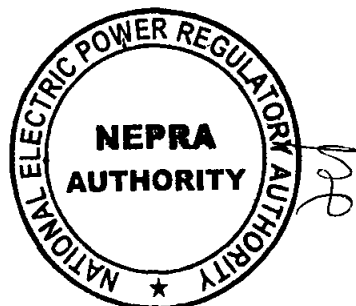
15. The Authority in order to work out the amount of adjustments claimed by K-Electric for the energy purchased from National Grid, obtained details of actual Power Purchase cost from CPPA-G for the cost it billed to KE for the relevant period. The Authority noted that as per the information submitted by CPPA-G, the energy claimed by K-Electric, is in reconciliation with the energy reported by CPPA-G. Similarly, the amount of variable O&M and Capacity charges, claimed by K-Electric is in reconciliation with the numbers reported by CPPA-G. For the additional 150 MW through wind power plants, the Authority observed that K-Electric had disputed the amount of Capacity charges billed by CPPA-G to K-Electric; the Authority vide decision dated 15.12.2020, decided that CPPA-G should restrict the MDI to 150 MW for the purpose of allocation of capacity charges. In view thereof, the Capacity charges, UoS and Market Operator Fee to the extent of 150 MW have been included in the adjustment requests, as claimed by K-Electric. However, in case CPPA-G claims a different amount in light of the decision of the Authority, the variations if any, would be adjusted in the subsequent quarterly adjustments of K-Electric.
16. The Authority vide letter dated 16th December 2019 issued approval of PAC between K-Electric and IIL for three years from 18th April 2017 to 17th April 2020. Upon expiry of the same, K-Electric vide letter dated 6th August 2020, submitted the Power Acquisition Request (PAR), seeking permission to procure power from IIL for another 3 years under Interim Power Procurement Regulation 2005 (IPPR-2005) w.e.f 18th April 2020. Since the said PAR has been approved by the Authority, therefore, any adjustment if required in this regard would be considered in the subsequent quarterly adjustments of K-Electric.

OurSun

17. For Oursun Solar for the period from July 2021 to September 2021, K-Electric for the cost of Energy purchased by KE from Oursun Solar has claimed Rs.368.853 million. In addition to the above KE in its quarterly adjustment request for the quarter ending September 2021 has also requested Rs. 1.46 million as previous adjustment on account of revision in tariff for July 2021 based on the decision of the Authority in the matter of quarterly adjustment issued on August 17, 2021. Both the cost being related to the period under review have been considered as part of the current cost in the instant adjustment. For the Period October 2021 to December 2021, K-Electric has claimed Rs.393.440 million, the same has been considered.

Current cost of SNPC & SNPC II

18. The Authority in the matter of Review Motions filed by SNPC and SNPC-II, against determination of the Authority dated December 31, 2019 in the matter of Quarterly Adjustment of K-Electric, decided as under;
- a) *"to re-determine/ modify the tariff awarded to the petitioner vide decision dated August 04, 2017, for which separate proceedings shall be carried out by the Authority. The*



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Petitioner, is accordingly directed, in terms of Section 44 of NEPRA Act, to provide complete details in this regard.

b) to provisionally allow the Petitioner its debt servicing and Insurance component, as per its reference generation tariff dated August 04, 2017.....”

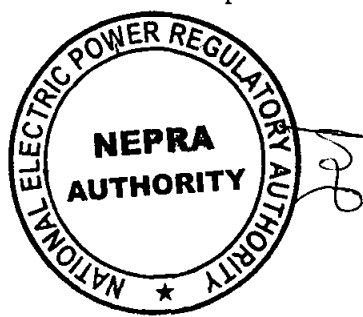
19. Subsequently, the Authority vide decisions dated July 26, 2021, provisionally approved quarterly indexation/adjustment for the Debt servicing component & O&M of Tariff of SNPC and SNPC-II for the period July 2021 to September 2021 subject to adjustment/refund, if necessary, in the light of final decision(s) of the Authority. Subsequent to the above NEPRA has not approved any adjustment request.
20. Regarding Variable O&M the Petitioner has claimed Rs. 374 million for SNPC, SNPC II and STDC losses. However, Rs. 363.7 million could be verified. The difference is due to the fact that KE in its request has claimed Rs. 0.6612/kWh as Foreign Variable O&M for the period October – December 2021, whereas the Authority for the period has not determined any quarterly adjustment, therefore the Authority has considered rate of Rs. 0.6025/kWh (approved for the period July to September 2021) for the October to December 2021.
21. Regarding Capacity Cost of SNPC & SNPC II, KE has claimed Rs. 938.833 million, the same has been considered.
22. Here it pertinent to mention that the above cost are allowed strictly on provisional basis subject to adjustment based on the subsequent decisions of the Authority.
23. Further, the Authority vide two different decisions dated June 4, 2021 has approved revision of Net Capacity & Heat Rate of SNPC & SNPC II. Pursuant thereto the Authority vide decisions dated September 21, 2021 approved revised reference capacity components based on revised net capacity. Any adjustment based on the subsequent quarterly adjustment due to decisions dated September 21, 2021 shall be made subsequently.

Previous Adjustment for STDC in the Quarterly Adjustment for the quarter ending September 2021

24. KE in the request for the quarter ending September 2021 has requested Rs. 212 million on account of STDC based on Indexed tariff rates as per NEPRA’s decision dated Aug 05, 2021.
25. Here it is pertinent to mention that the Authority vide decision dated August 5, 2021 has granted Interim Relief of Tariff Adjustment at Commercial Operation Date (COD) Stage.
26. As the claim is in line with the decision of the Authority, the same has been considered. The above is strictly on provisional basis subject to adjustment based on subsequent decisions of the Authority.

Anoud Power Generation Ltd. (APGL)

27. Anoud Power Generation Ltd. (APGL) has supplied energy to KE till Sep. 2020 and thereafter no energy has been delivered. As per Cause 1.5 of the 1st addendum dated 27.04.2010 to the



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PPA between K-Electric and APGL, in case APGL supplies less than the minimum monthly guaranteed units of 5,040,000 kWh to KESC, KESC shall be entitled to make certain deductions at the end of billing month in the billing amount. Pursuant thereto, K-Electric levied a penalty of Rs. 27.34 million on Anoud Power due to non-supply of minimum monthly energy for the month of January & February 2021. However no LD has been charged for the period March 2021 to June 2021 for non-supply of energy. Upon query regarding imposition LDs, KE provided the following reply;

“KE had imposed penalty on Anoud under Sec 1.5 of 1st Addendum (penalty on less than Guaranteed Units) based on the method considered in NEPRA’s decision dated December 31, 2019, including recovery of amount pertaining to FY 2017 to 2019. Subsequently, Anoud filed a review against NEPRA’s decision. NEPRA issued decision in the matter of review motion filed by Anoud on December 30, 2020.

Accordingly, KE revised the penalty amount in light with NEPRA decision. However, Anoud stopped supply since Oct’20 stating that it cannot continue supply due to financial constraints.

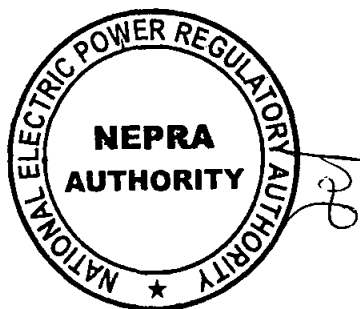
Accordingly, as per the terms of the PAC, KE imposed the following penalties on Anoud till Feb’21:

Penalty applied by KE on Plant Shut Down:	PKR Million
Oct’20 - Short supply Units 1.495 x Rs 2.713	4.06
Nov’20 - Short supply Units 5.040 x Rs 2.713	13.67
Dec’20 - Short supply Units 5.040 x Rs 2.713	13.67
Jan’21 - Short supply Units 5.040 x Rs 2.713	13.67
Feb’21 - Short supply Units 5.040 x Rs 2.713	13.67
Penalty recoverable by KE due to non-supply since Oct’20	58.75

KE has adjusted these penalties against the amount payable to APGL due to revision in the penalty calculation mechanism in NEPRA’s afore-mentioned decision. After adjustment of NEPRA allowed amount and above penalties, KE net Receivable amount is PKR 9.45 million as of 28-Feb-2021.

Further to above, Anoud had filed a writ petition no. 809-2021 before Islamabad High Court on March 30, 2021 against NEPRA and KE, wherein it challenged NEPRA’s Authority and its interpretation of the contractual terms. The matter is sub judice and pending adjudication before the Honorable Court.

Considering that Anoud has not resumed supply to KE and payable amount to Anoud exhausted after penalty imposition in Feb 2021 and that the matter is sub-judice since March 2021, further penalties have not been imposed to date.”



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28. For instant quarterly working a nil penalty has been deducted based on the fact that the matter is sub judice. The above Nil deduction is on provisional basis subject to adjustment based on the final outcome of the legal proceeding and subsequent decisions of the Authority if any.

WWF & WPPF for Tapal Energy Limited

29. KE in its claim has requested WWF and WPPF charges invoiced by TAPAL to K-Electric for the FY 2020-21. The amounts of WWF and WPPF have been claimed @ 2% and 5% respectively on the Net Profit before Tax, as reported by TAPAL in its Audited accounts for the FY 2020-21. The amount of WWF claimed by KE is Rs.12 million and WPPF is Rs.29 million.
30. The Authority's decision dated June 9, 2020 in the matter of Motion for Leave for Review filed by Tapal Energy (Private) Ltd. in respect of Tariff Determination dated 20th November 2019 regarding approval of Generation Tariff for Term Extension of RFO based Power Plant of 126 MW (Gross) at Karachi, provides the following;

“WWF and WPPF shall be pass-through items.”

31. Based on the above decision of the Authority the amount of Rs. 12 million & Rs. 29 million for WWF & WPPF for TEL has been considered.

Whether to allow the costs as mentioned above or otherwise?

32. KE in claim has requested Rs. 45 million billed by GAEL to K-Electric for the FY 2020-21 for WPPF.
33. The Authority's decision dated June 3, 2020 in the matter of Motion for Leave for Review filed by Gul Ahmed Energy Limited in respect of the Tariff Determination dated 21st November 2019 regarding Generation Tariff for Term Extension of RFO Based Power Plant of 136.17 MW (Gross) at Karachi provides the following;

“WWF and WPPF shall be pass-through items.”

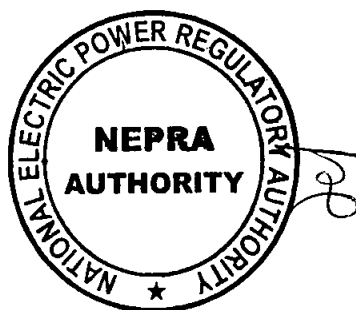
34. Based on the above the decision of the Authority the amount of Rs. 45 million for WPPF of GAEL has been considered.

WPPF claim of FPCL

35. K-Electric has claimed Rs.67 million on account of WPPF of FPCL for the Year 2020. The same being allowed as pass through cost has been included in the instant quarterly adjustments of K-Electric.

Previous adjustment on account of fuel for June, Aug & Sept 2021 for FPCL

36. K-Electric has also claimed Rs.57 million for June 2021 & Rs. 96 million for August & September 2021 on account of Fuel Price Adjustment for FPCL.
37. Upon verification an amount of Rs. 56.6 million, Rs. 29.6 million & Rs. 66.17 million could be verified for the month of Jun, Aug & Sep 2021. Here it is pertinent to mention that an amount



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of Rs 0.39 million on account of Fuel Charges for the month of November 2021 needs to be deducted as well.

38. Based on the above an amount of Rs. 152 million is being considered in the quarterly adjustment for the quarter ending December 2021.

Previous adjustment pertaining to CPPA-G amounting to Rs. 294 million & Rs. 2 million on account PMLTC in quarter ending December 2021

39. KE in its request for December 2021 has claimed an amount of Rs. 294 million & Rs. 2 million in the quarter ending December 2021. To justify its claim KE has provided invoices raised by CPPA-G. The adjustment pertain from the period September till November 2021. Based on the invoice of CPPA-G the same has been considered as part of the current cost.

Previous adjustment pertaining to CPPA-G amounting to Rs. 109 million in quarter ending September 2021

40. KE in its request for September 2021 has claimed an amount of Rs.109 million in the quarter ending September 2021. To justify its claim KE has provided invoices raised by CPPA-G. The adjustment pertain from the period June 2019 till June 2021. Based on the invoice of CPPA-G the same has been considered.

Previous Adjustment pertaining to Gharo amounting to Rs.425 million in Quarter ending September 2021

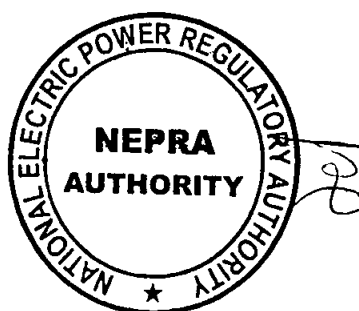
41. KE in the quarter ending September 2021 has claimed an amount of Rs. 425 million for previous period due to Gharo's CoD Tariff Adjustment. The same has been considered being in line with the decision of the Authority dated August 17, 2021 in the matter of Quarterly Indexation of Gharo since CoD.

Previous Adjustment pertaining to Lotte amounting to Rs.12 million in Quarter ending September 2021

42. KE in the quarter ending September 2021 has claimed an amount of Rs. 12 million as previous adjustment on account of Fuel differential for the month of September 2021. The differential is due to the fact that KE in the FCA request for the month of September 2021 for Lotte used a RLNG rate of Rs. 2,184/MMBTU instead of applicable RLNG rate of SSGC of Rs. 2,545/MMBTU. The above request of has been verified and considered as pervious adjustment for the quarter ending September 2021.

Impact of FCA not applied on different categories of consumers

43. Here it is pertinent to mention that as per the Authority's decision, negative FCA is not to be passed on to lifeline consumers, residential consumers with consumption up-to 300 units agriculture consumers; similarly, positive FCA is also not passed on to the life line consumers and such impact is adjusted in the quarterly adjustments. Accordingly, net negative adjustment of around Rs. 982 million is hereby deducted in the instant quarterly adjustments of K-Electric.



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KE's Workers Profit Participation Fund

44. KE in its request for December 2021 has requested Worker Profit Participation Fund for FY 2021 amounting to Rs. 583 million.
45. The Authority in the Reconsideration in the matter of MYT of K-Electric decided as following;
 "The cost of WWF/WPPF related to K-Electric shall be allowed as pass through cost on actual basis subject to provision of verifiable documentary evidence for adjustment on yearly basis to be recovered in the next year."
46. The above provides that the amount is to be recovered in the next year, however, KE in its request has claimed the about to be considered in one quarter. In view thereof, an amount of Rs. 146 million has been added in the quarterly adjustment for the quarter ending December 2021. The remaining amount shall be added in the next three quarters.

KE claim on account of tax for the FY 2019-20

47. K-Electric has claimed an amount of Rs.3,911 million on account of Tax for the FY 2021. The Authority observed that as per the MYT determination, provides the following;

"Any corporate tax liability to the extent of current tax paid (without the impact of deferred tax impact) would be treated as pass through and shall be allowed through adjustment in the tariff"

48. Upon inquiry about the claimed tax KE provided the following working;

Description	PKR million
Turnover	257,410
Late payment surcharge	2,030
Service connection charges	1,289
Total	260,730
Turnover tax	1.50%
Turnover tax amount	3,911
Tax liability FY 2021	3,911
Advance tax payments	(1,500)
Withholding taxes	(1,738)
Available refunds	(960)
Net refund	(287)

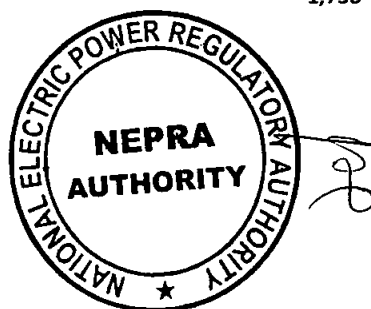
Break up of Advance tax payment

Advance Tax Under Section 147:

16-Jun-21	500
9-Jul-21	1,000
Total	1,500

Withholding tax break up

Under section 148	1,648
Under section 151(1)(d)	33
Under section 153(1)(b)	49
Under section 236	8
Under section 236D	0
Under section 236L	0
	1,738



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49. Based on the above decision of the Authority in the matter of KE MYT an amount of Rs.3,911 million has been made part of the previous adjustment for the quarter ending December 2021.
50. KE vide letter dated April 28, 2022 requested that an amount of Rs.22,138 million on account of heat rate approved for BQPS I be included in the pending quarterly adjustment requests i.e. January 2021 to March 2022 pertaining to the period July 2016 to March 2022. Here it is pertinent to mention that the Authority vide decision dated April 21, 2022 has approved the revision in heat rate of BQPS I for the period from July 2016 onward as under;

Unit	FY 17		FY 18		FY 19		FY 20		FY 21		FY 22		FY 23	
	HFO	Gas	HFO	Gas	HFO	Gas	HFO	Gas	HFO	Gas	HFO	Gas	HFO	Gas
1	10776	11454	10807	11486	10831	11511	10844	11525	10844	11525	10844	11525	10844	11525
2	10600	11222	10611	11233	10640	11264	10653	11277	10653	11277	10653	11277	10653	11277
3	12686		12740		12792		12818		12818		12818		12818	
4	12849		12915		12978		13006		13006		13006		13006	
5	10565	11226	10582	11243	10605	11268	10614	11277	10614	11277	10614	11277	10614	11277
6	10689	11563	10738	11615	10768	11648	10785	11667	10785	11667	10785	11667	10785	11667

51. The request of KE of Rs. 22,138 million has been analyzed and the same has been worked out as Rs. 21,749 million for the period Jul 2016 to March 2022. The reason for the difference is that KE in the month of June to August 2021 has requested for the gap in earlier and revised heat rate for BQPS I Unit 3, whereas, the Authority in the LPM dated September 15, 2021 decided to deduct certain amount on account of non-commissioning of BQPS III power plant. Further, in the month of February 2022, the rate of RLNG has been erroneously taken as Rs. 2,480/MMBTU by KE instead of Rs. 2,449.05/MMBTU.
52. Considering the fact that the Authority has already approved revision in heat rate of BQPS I from July 2016 onwards and based on the above working an amount of Rs. 4,350 million has been added into every quarterly adjustment from January 2021 to March 2022, under the head of previous adjustment. Accordingly in the instant adjustment Rs.8,700 million has been added under the head of previous adjustment.



**Decision of the Authority in the matter of Quarterly Adjustments
of K-Electric Limited for the Quarters ending September 21 & December 21**

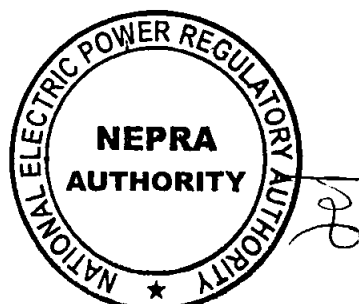
Description	Unit	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Adjustment in SOT for the Quarter	Rs./kWh			6.4713			(0.4677)
FCC of Own Generation	Rs./kWh			9.7541			4.8373
FCC adjusted on Target T&D Losses	Rs./kWh			11.6051			5.7553
Reference Own Generation FCC adjusted on Target T&D Losses	Rs./kWh			8.1683			11.6051
Required adjustment in SOT of Own Generation to level up the tariff	Rs./kWh			3.4368			(5.8498)
Power Purchases							
Fuel Cost	Rs./kWh			4.8951			7.2184
FCC adjusted on Target T&D Losses	Rs./kWh			5.8240			8.5882
Reference Power Purchase FCC adjusted on Target T&D Losses	Rs./kWh			4.7908			5.8240
Required adjustment in SOT of Power Purchase FCC to level up the tariff	Rs./kWh			1.0332			2.7642
Variable O&M and Capacity	Rs./kWh			3.11782			3.96848
Variable O&M and Capacity adjusted on Target T&D Losses	Rs./kWh			3.70948			4.72157
Reference Power Purchase Variable O&M and Capacity based on Target T&D Losses	Rs./kWh			3.34067			3.70948
Required adjustment in SOT of Power Purchase Variable O&M and Capacity to level up the tariff	Rs./kWh			0.3688			1.0121
Total Adjustment in SOT to level up the Tariff	Rs./kWh			4.8389			(2.0735)
Impact of Variation in Fuel cost to the extent of T&D losses							
Own Generation							
Monthly Approved FCA	Rs./kWh	0.0737	0.4806	2.8887	(0.4194)	(2.3817)	(4.9168)
Total Units Sent Out	Gwh	1,967	1,802	1,922	1,777	1,406	1,171
Allowed Level of T&D losses	%	15.95%	15.95%	15.95%	15.95%	15.95%	15.95%
Impact of Losses on FCA for Own Generation	Rs.Mln	23.12	138.10	885.56	(118.87)	(534.13)	(918.55)
Total impact of Losses FCA				1,046.77			(1,571.55)
Power Purchases							
Fuel Cost							
Monthly Approved FCA	Rs./kWh	0.6153	0.2805	0.8684	1.4945	1.6227	2.3233
Total Units Sent Out	Gwh	1,967	1,802	1,922	1,777	1,406	1,171
Allowed Level of T&D losses	%	15.95%	15.95%	15.95%	15.95%	15.95%	15.95%
Impact of Losses on FCA for Power Purchases	Rs.Mln	193	81	266	424	364	434
Total impact of Losses on FCA	Rs.Mln			540			1,222
G. Total	Rs.Mln			1,586.60			(350)
Impact of Variation in Variable O&M and Capacity	Rs.Mln	(786.94)	(114.31)	595.80	1,443.84	1,086.55	996.36
Total impact of Variable O&M and Capacity	Rs.Mln			(305.45)			3,527
Unrecovered Cost of June 16 Quarter (old MYT)/CPPA-G Adj	Rs.Mln			-			-
Net Impact of Life Line, 300 units & Agriculture units	Rs.Mln			4.28			(987)
Total Un-Recovered Cost of the Quarter	Rs.Mln			1,285.43			2,190.15
WWF	Rs.Mln	-	-	-	-	-	11.74
WPPF	Rs.Mln	-	-	-	-	-	141.31
Previous Adjustment	Rs.Mln	-	-	5,112.95	-	-	8,559
Write Off	Rs.Mln	-	-	-	-	-	-
LDs	Rs.Mln	-	-	-	-	-	-
Units Sold during Next Quarter on allowed T&D Losses	GWh			3,659.79			3,250
Adjustment for the Quarter	Rs./kWh			1.74830			3.3541
Reversal of Previous Quarter	Rs./kWh			(0.1159)			(1.7483)
Net Adjustment for the Quarter	Rs./kWh			1.6324			1.6058

Determination of the Authority in the matter of Policy Guidelines for Re-Targeting Power Sector Subsidies in Future

53. The Ministry of Energy (Power Division) vide letter dated June 9, 2021, forwarded Policy guidelines (guidelines), as approved by Federal Government, for incorporation of the same through modification/adjustment in DISCOs schedule of Tariff (SoTs) as well as uniform SoT including K-Electric Schedule of Tariff.

54. The Authority decided on the matter vide decision dated September 23, 2021 wherein, the Authority decided as under;


"In view thereof, the Authority has decided to approve in principle the aforementioned changes in the SoTs of K-Electric, however, the said changes shall be applicable



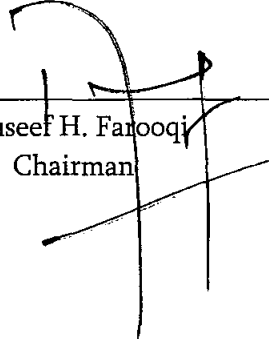
prospectively and would be reflected in the relevant quarterly SoT of K-Electric, once the instant decision is notified by the Federal Government.”

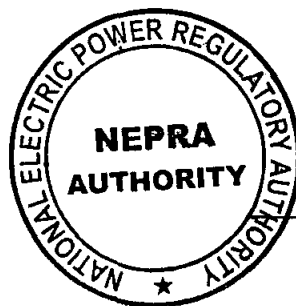
55. The said decision was notified w.e.f. October 2021. In view thereof, SoT of K-Electric for the quarterly adjustment for the quarter ending September 2021 (which is applicable for the quarter October to December 2021) has been modified accordingly.
56. K-Electric is allowed to charge the “use of system charges” from the user of its system, as per the mechanism provided in its MYT 2017 determination. The use of system charges shall be worked out, by using the latest allowed numbers of transmission or distribution margin components or both, as the case may be, and shall be adjusted on the allowed level of loss assessment for the respective year.
57. In view of the discussion made in preceding paragraphs and accounting for the adjustments discussed above, the quarterly Schedule of Tariffs (SoTs) of K-Electric, for the quarter Jul. - Sep. 2021 & Oct. - Dec. 2021 have been prepared and are attached herewith, which shall be applicable in the quarter Oct. – Dec. 2021 & Jan. – Mar. 2022 respectively.
58. The instant decision is being intimated to the Federal Government, prior to its notification in the official Gazette as per Section 31(7) of the NEPRA Act.

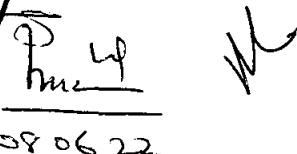
AUTHORITY


Rafique Ahmed Shaikh
Member


Engr. Maqsood Anwar Khan
Member


Tauseef H. Farooqi
Chairman




08 06 22

**SCHEDULE OF ELECTRICITY TARIFF
FOR K-ELECTRIC LIMITED**

APPLICABLE FOR THE QUARTER OCTOBER - DECEMBER 2021

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh		Quarterly Adjustment Rs/kWh		TOTAL VARIABLE Rs/kWh	
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
Protected Unprotected	a) For Sanctioned load less than 5 kW	-	4.00		-		4.00	
	i Up to 50 Units - Life Line	-	17.39		6.49		23.88	
	ii 51 - 100 Units - Life Line	-	17.39		6.49		23.88	
	iii 001 - 100 Units	-	18.98		6.49		25.47	
	iv 101 - 200 Units	-	17.39		6.49		23.88	
	v 001- 100 Units	-	18.98		6.49		25.47	
	vi 101- 200 Units	-	20.19		6.49		26.68	
	vii 201- 300 Units	-	21.24		6.49		27.73	
	viii 301- 400 Units	-	21.24		6.49		27.73	
	ix 401- 500 Units	-	21.24		6.49		27.73	
	x 501- 600 Units	-	21.24		6.49		27.73	
	xi 601- 700 Units	-	23.59		6.49		30.08	
xii Above 700 Units	-	-		-		-		
b) For Sanctioned load 5 kW & above	-	-		-		-		
	Time Of Use	-	24.80	20.62	6.49	6.49	31.29	27.11

As per Authority's decision residential consumers will be given the benefit of only one previous slab.

As per Authority's decision residential life line consumers will not be given any slab benefit.

As per Authority's decision for one slab benefit in the un-protected residential consumer category slabs from 301-700, the slab rates of 201-300 slab would be used for previous slab benefit upto 300 units.

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 Rs/kW/M	VARIABLE CHARGES Rs/kWh		Quarterly Adjustment Rs/kWh		TOTAL VARIABLE Rs/kWh	
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
a)	For Sanctioned load less than 5 kW	-	21.55		6.49		28.04	
b)	For Sanctioned load 5 kW & above	440.00	20.78		6.49		27.27	
			24.79	20.56	6.49	6.49	31.28	27.05
c)	Time Of Use	440.00	24.79	20.56	6.49	6.49	31.28	27.05

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

A-3 GENERAL SERVICES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	Quarterly Adjustment Rs/kWh	TOTAL VARIABLE Rs/kWh
a)	General Services	-	21.74	6.49	28.23

Under tariff A-3, 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 Rs/kW/M	VARIABLE CHARGES Rs/kWh		Quarterly Adjustment Rs/kWh		TOTAL VARIABLE Rs/kWh	
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
B1	Upto 25 kW (at 400/230 Volts)	-	21.79		6.49		28.28	
B2(a)	25-500 kW (at 400 Volts)	440.00	20.94		6.49		27.43	
B3(a)	For all loads upto 5000 KW (at 11,33 kV)	420.00	20.79		6.49		27.28	
B4(a)	For all loads upto 5000 KW (at 66,132 kV)	400.00	20.29		6.49		26.78	
	Time Of Use		24.79	20.79	6.49	6.49	31.28	27.28
B1(b)	Upto 25 kW (at 400/230 Volts)	-	24.79		6.49		31.28	
B2(b)	25-500 kW (at 400 Volts)	440.00	20.29		6.49		26.78	
B3(b)	For All Loads up to 5000 kW (at 11,33 kV)	420.00	19.79		6.49		26.28	
B4(b)	For All Loads (at 66,132 kV & above)	400.00	19.54		6.49		26.03	
B5	For All Loads (at 220 kV & above)	340.00	18.79		6.49		25.28	

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. 1,000,000 per month.



**SCHEDULE OF ELECTRICITY TARIFF
FOR K-ELECTRIC LIMITED**

APPLICABLE FOR THE QUARTER OCTOBER - DECEMBER 2021

C - SINGLE-POINT SUPPLY

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh		Quarterly Adjustment Rs/kWh		TOTAL VARIABLE Rs/kWh	
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
C-1	For supply at 400/230 Volts							
a)	Sanctioned load less than 5 kW	-		21.79		6.49		28.28
b)	Sanctioned load 5 kW & up to 500 kW	440.00		20.79		6.49		27.28
C-2(a)	For supply at 11,33 kV up to and including 5000 kW	420.00		20.79		6.49		27.28
C-3(a)	For supply at 132 and above, up to and including 5000 kW Time Of Use	400.00		20.29		6.49		26.78
C-1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	440.00	24.79	20.29	6.49	6.49	31.28	26.78
C-2(b)	For supply at 11,33 kV up to and including 5000 kW	420.00	24.79	19.79	6.49	6.49	31.28	26.28
C-3(b)	For supply at 132 kV up to and including 5000 kW	400.00	24.79	19.54	6.49	6.49	31.28	26.03

D - AGRICULTURE TARIFF

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh		Quarterly Adjustment Rs/kWh		TOTAL VARIABLE Rs/kWh	
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
D-1	For all Loads Time of Use	200.00		19.51		6.49		26.00
D-2	For all Loads	200.00	24.79	19.09	6.49	6.49	31.28	25.58

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		Quarterly Adjustment Rs/kWh		TOTAL VARIABLE Rs/kWh	
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
E-1(i)	Residential Supply	-		22.29		6.49		28.78
E-1(ii)	Commercial Supply	-		22.89		6.49		29.38
E-2 (i)	Industrial Supply	-		23.34		6.49		29.83
E-2 (ii)	Bulk Supply							
	(a) at 400 Volts	-		23.29		6.49		29.78
	(b) at 11 kV	-		23.27		6.49		29.76

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 consumed.

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		Quarterly Adjustment Rs/kWh		TOTAL VARIABLE Rs/kWh	
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
	Street Lighting	-		22.19		6.49		28.68

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		Quarterly Adjustment Rs/kWh		TOTAL VARIABLE Rs/kWh	
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
	Residential Colonies attached to industrial premises	-		22.29		6.49		28.78



**SCHEDULE OF ELECTRICITY TARIFF
FOR K-ELECTRIC LIMITED**

APPLICABLE FOR THE QUARTER JANUARY - MARCH 2022

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh		Quarterly Adjustment Rs/kWh		TOTAL VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
a)	For Sanctioned load less than 5 kW	-	4.00				4.00	
i	Up to 50 Units - Life Line	-	23.88		(0.47)		23.41	
ii	51 - 100 Units - Life Line	-	23.88		(0.47)		23.41	
iii	001 - 100 Units	-	25.47		(0.47)		25.00	
iv	101 - 200 Units	-	23.88		(0.47)		23.41	
v	001- 100 Units	-	25.47		(0.47)		25.00	
vi	101- 200 Units	-	26.68		(0.47)		26.21	
vii	201- 300 Units	-	27.73		(0.47)		27.26	
viii	301- 400 Units	-	27.73		(0.47)		27.26	
ix	401- 500 Units	-	27.73		(0.47)		27.26	
x	501- 600 Units	-	27.73		(0.47)		27.26	
xi	601- 700 Units	-	30.08		(0.47)		29.61	
xii	Above 700 Units	-						
b)	For Sanctioned load 5 kW & above	-						
	Time Of Use	-	31.29	27.11	(0.47)	(0.47)	30.82	26.64

As per Authority's decision residential consumers will be given the benefit of only one previous slab.

As per Authority's decision residential life line consumers will not be given any slab benefit.

As per Authority's decision for one slab benefit in the un-protected residential consumer category slabs from 301-700, the slab rates of 201-300 slab would be used for previous slab benefit upto 300 units.

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 Rs/kW/M	VARIABLE CHARGES Rs/kWh		Quarterly Adjustment Rs/kWh		TOTAL VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
a)	For Sanctioned load less than 5 kW	-	28.04		(0.47)		27.57	
b)	For Sanctioned load 5 kW & above	440.00	27.27		(0.47)		26.80	
	Time Of Use	440.00	31.28	27.05	(0.47)	(0.47)	30.81	26.58

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

A-3 GENERAL SERVICES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	Quarterly Adjustment Rs/kWh	TOTAL VARIABLE CHARGES Rs/kWh
a)	General Services	-	28.23	(0.47)	27.76

Under tariff A-3, 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 Rs/kW/M	VARIABLE CHARGES Rs/kWh		Quarterly Adjustment Rs/kWh		TOTAL VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
B1	Upto 25 kW (at 400/230 Volts)	-	28.28		(0.47)		27.81	
B2(a)	25-500 kW (at 400 Volts)	440.00	27.43		(0.47)		26.96	
B3(a)	For all loads upto 5000 KW (at 11,33 kV)	420.00	27.28		(0.47)		26.81	
B4(a)	For all loads upto 5000 KW (at 66,132 kV)	400.00	26.78		(0.47)		26.31	
	Time Of Use		Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
B1(b)	Upto 25 kW (at 400/230 Volts)	-	31.28	27.28	(0.47)	(0.47)	30.81	26.81
B2(b)	25-500 kW (at 400 Volts)	440.00	31.28	26.78	(0.47)	(0.47)	30.81	26.31
B3(b)	For All Loads up to 5000 kW (at 11,33 kV)	420.00	31.28	26.28	(0.47)	(0.47)	30.81	25.81
B4(b)	For All Loads (at 66,132 kV & above)	400.00	31.28	26.03	(0.47)	(0.47)	30.81	25.56
B5	For All Loads (at 220 kV & above)	340.00	31.28	25.28	(0.47)	(0.47)	30.81	24.81

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. 1,000,000 per month.



**SCHEDULE OF ELECTRICITY TARIFF
FOR K-ELECTRIC LIMITED**

APPLICABLE FOR THE QUARTER JANUARY - MARCH 2022

C - SINGLE-POINT SUPPLY

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh		Quarterly Adjustment Rs/kWh		TOTAL VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
C-1	For supply at 400/230 Volts							
a)	Sanctioned load less than 5 kW	-		28.28		(0.47)		27.81
b)	Sanctioned load 5 kW & up to 500 kW	440.00		27.28		(0.47)		26.81
C-2(a)	For supply at 11,33 kV up to and including 5000 kW	420.00		27.28		(0.47)		26.81
C-3(a)	For supply at 132 and above, up to and including 5000 kW Time Of Use	400.00		26.78		(0.47)		26.31
C-1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	440.00	31.28	26.78	(0.47)	(0.47)	30.81	26.31
C-2(b)	For supply at 11,33 kV up to and including 5000 kW	420.00	31.28	26.28	(0.47)	(0.47)	30.81	25.81
C-3(b)	For supply at 132 kV up to and including 5000 kW	400.00	31.28	26.03	(0.47)	(0.47)	30.81	25.56

D - AGRICULTURE TARIFF

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh		Quarterly Adjustment Rs/kWh		TOTAL VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
D-1	For all Loads Time of Use	200.00		26.00		(0.47)		25.53
D-2	For all Loads	200.00	31.28	25.58	(0.47)	(0.47)	30.81	25.11

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		Quarterly Adjustment Rs/kWh		TOTAL VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
E-1(i)	Residential Supply	-		28.78		(0.47)		28.31
E-1(ii)	Commercial Supply	-		29.38		(0.47)		28.91
E-2 (i)	Industrial Supply	-		29.83		(0.47)		29.36
E-2 (ii)	Bulk Supply							
	(a) at 400 Volts	-		29.78		(0.47)		29.31
	(b) at 11 kV	-		29.76		(0.47)		29.29

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 consumed.

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		Quarterly Adjustment Rs/kWh		TOTAL VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
	Street Lighting	-		28.68		(0.47)		28.21

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		Quarterly Adjustment Rs/kWh		TOTAL VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
	Residential Colonies attached to industrial premises	-		28.78		(0.47)		28.31

