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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-362/K-Electric-2016/13492-13494

July 22, 2022

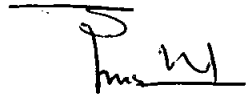
Subject: **Decision of the Authority in the matter of Quarterly Adjustments of K-Electric Limited for the Quarter ending March 2022 [Case # NEPRA/TRF-362/K-Electric-2016]**

Dear Sir,

Please find enclosed herewith the subject decision of the Authority along with quarterly Schedule of Tariff (SoT) (13 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


22 07 22
(Syed Safer Hussain)

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

CC:

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

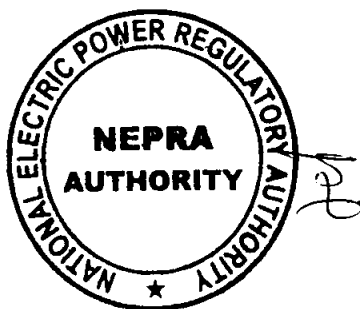
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY ADJUSTMENT OF
K-ELECTRIC LIMITED FOR THE QUARTER ENDING MARCH 2022**

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 Adjustment request on account of Power Purchase Price (PPP) and Prices level reset for the quarter ending March 2022 along with supporting documents.
5. For the quarter ending March 2022 KE initially requested Rs. 4.521/kWh, however subsequently KE revised its request to Rs.3.892/kWh vide letter dated June 08, 2022 after adjusting NEPRA's FCA decision for February and March 2022 issued on May 6, 2022 & May 27, 2022 respectively.

Hearing

6. 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.

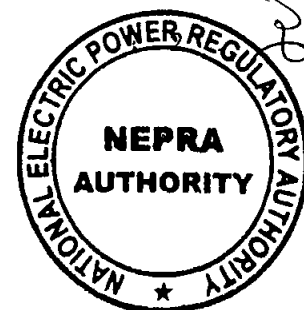


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7. The hearings were accordingly held on June 14, 2022 at NEPRA Tower and through ZOOM. The advertisement for hearing was published in newspapers and separate notices were also sent to the stakeholders for inviting comments from the interested/ affected 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.
8. Following issues were framed for discussion during the hearing;
 - i. Whether the requested quarterly variations are justified?
 - ii. Whether the existing fixed charges applicable to different consumer categories needs to be revised and requires any changes in mechanism for charging of such charges based on Actual MDI or Sanction Load or otherwise?
9. 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.
10. 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.
11. 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?

12. While going through the data / information provided by K-Electric regarding quarterly adjustments, the Authority's observations are as under;
13. 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. KE regarding cost billed by CPPA-G for 1,100 MW has claimed an amount of Rs. 12,731.44 million for Capacity Payment, UoSC & MoF. In addition to the above KE has claimed and amount of Rs. 51.157 million under previous adjustment in quarter ending March 2022. Thus resulting in a total of Rs.12,782.6 million. The same has been verified from the DISCO wise settlement information provided by CPPA-G and has been considered as part of current cost. The amount of variable O&M claimed by K-Electric is in reconciliation with the numbers reported by CPPA-G



14. In addition to the previous adjustment of Rs. 51.157 million discussed above, KE in its request has also claimed an amount of Rs.0.54 million in the quarter ending March 2022. To justify its claim KE has provided invoices raised by CPPA-G. The amount being in line with the billing from CPPA-G has been considered.

OurSun

15. K-Electric in its adjustment has request Rs.511.615 million for the energy purchased from Oursun. This included the impact related to insurance. KE in its request has claimed insurance component of Rs. 0.3944/kWh for January – March 2022, whereas, the same was allowed by NEPRA for the period November 30, 2020 till November 29, 2021. As no new insurance component has been approved by the Authority for the period after November 2021, therefore, no cost is considered on account of insurance component amounting to Rs.9.320 million as claimed by KE. Once the Authority approves insurance component for the period under review, KE may claim the amount accordingly in its subsequent request.

Tapal Energy Limited (TEL) and Gul Ahmed Energy Limited (GAEL)

16. For the Capacity K-Electric has claimed Rs. 331.151 million & Rs. 324.224 million for GAEL & TEL respectively. In the request while working out Working Capital GAEL & TEL in its invoice has used KIBOR rate of 10.54% whereas, rate of KIBOR is 10.52% is applicable. Therefore the rate of 10.52% has been considered. This has resulted in an impact of Rs. 0.103 million and Rs. 0.106 million for GAEL & TEL respectively.

SNPC & SNPC II

17. 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 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.....”*
18. 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 vide decision dated June 20, 2022 has approved indexation/adjustment for the Debt servicing component & O&M of Tariff of SNPC and SNPC-II for the period Oct 2021 to Jun 2022 subject to adjustment/refund, if necessary, in the light of COD true-up decision.



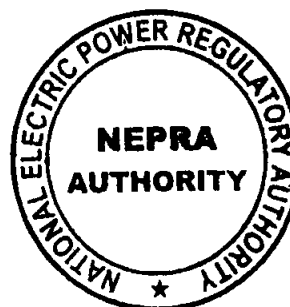
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19. K-Electric in its request has requested Rs. 151.43 million under the head of O&M for SNPC, SNPC II & STDC based on Variable O&M rates approved for July – September 2021 except for the month of January 2022 whereby, KE has used the rate of Rs. 0.6993/kWh for foreign Variable O&M instead of approved rate of Jul – Sep 2021 i.e. Rs. 0.6025/kWh.
20. However, at the same time K-Electric has also claimed a negative adjustment of Rs.14.40 million on account of variation in Foreign Variable O&M for the projects as previous adjustment. Out of Rs. 14.40 million, the amount of Rs. 4.14 million pertains to January 2022 owing to difference in rates approved for Jul – Sep 2021 and the rate claimed by KE as discussed above and Rs. 10.26 million pertains to the period October – December 2021 owing to difference in rate approved for Jul – Sep 2021 and the rate claimed by KE in the quarterly adjustment for the quarter ending Oct – Dec 2021.
21. Here it is pertinent to mention that while working out the quarterly adjustment for the quarter Oct – Dec 2021 and also for the quarter Jan – Mar 2022, the Authority has used the rates approved for the quarter Jul – Sep 2021 therefore, no negative adjustment is required in this regard. Since the Authority has approved the indexation of SNPC & SNPC II for the quarters Oct – Dec 2021 & Jan – Mar 2022 vide decision dated Jun 20, 2022, therefore, KE may claim any adjustment in this regard in its subsequent request.
22. Regarding Capacity Cost of SNPC & SNPC II, KE has claimed Rs. 509.399 million, the same has been considered.
23. Here it is pertinent to mention that the above cost are allowed strictly on provisional basis, subject to adjustment based on the subsequent decisions of the Authority.
24. 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. Pursuant thereto, NEPRA vide decisions dated June 20, 2022 has approved indexation of SNPC & SNPC II for the period Oct to Dec 2021 till Apr – Jun 2022. Any adjustment in this regard may be considered by the Authority once K-Electric claims the same in its subsequent quarterly adjustments.

Fauji Power Company Limited (FPCL)

25. Here it is pertinent to mention that Authority vide decision dated February 9, 2022 has issued CoD determination of FPCL. In the CoD decision the Authority has revised the reference components of FPCL and the components of Water Charges, Ash Disposal & Limestone have been decided as ZERO. The above are subject to Quarterly adjustment on actual basis subject to documentary evidence to be submitted by power producer within three months of issuance of the CoD decision.

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26. KE in its adjustment request has claimed an amount of Rs. 403.822 million on account of EPP (excluding Fuel) and CPP for the purchases from FPCL. The same is being allowed as Rs. 399.671 million. The difference is in the month of January 2022, wherein, KE in its request has claimed the capacity charges as per reference decision dated May 15, 2017 and also claimed amount for Water Charges, Ash Disposal & Limestone instead of CoD determination.
27. Further, in line with the Authority vide decision dated February 9, 2022, wherein, the Authority has determined the components of Water Charges, Ash Disposal & Limestone as ZERO, and the amount of Rs. 847.03 million allowed to FPCL on account of Water Charges, Ash Disposal & Limestone till December 2022 has been deducted as part of previous adjustment.

Lotte Chemical

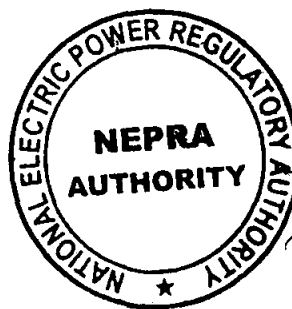
28. K-Electric has requested previous adjustment of Rs. 4.97 million on fuel cost due to change in RLNG tariff during January & February 2022 for Lotte Chemical.
29. Upon verification of facts it has been noted that OGRA revised its RLNG tariff notification for January & February 2022 on March 11, 2022. The tariff for January in USD\$ terms was adjusted upward whereas, for February 2022 it was revised downwards. Lotte Chemical has claimed net adjustment of Rs. 4.97 million wherein it has claimed a positive adjustment for January 2022 to the tune of Rs. 5.4921 million and has requested negative Rs. 0.52 million for February 2022.
30. Here it is pertinent to mention that during the processing of monthly FCA for February 2022, the Authority has already accounted for the impact of reduced RLNG rate therefore, no further adjustment is required in this regard. However, the impact of revision in RLNG rate for January 2022 amounting to Rs. 5.4921 million, which has not been allowed previously and has now been considered in the instant quarterly adjustment.

Lucky Cement

31. K-Electric has requested positive previous adjustment of Rs. 0.0342 million on account of differential of Variable O&M for December 2021.
32. Upon verification the Authority noted that instead of positive adjustment of Rs. 0.0342 million, the adjustment required is negative Rs. 0.0962 million, which has been accordingly deducted in the instant quarterly adjustment.

Previous Adjustment of Rs. 526.81 million on account of KGTPS Heat Rate impact July 2016 to September 2021 as per NEPRA's decision dated November 05, 2021

33. K-Electric has requested previous adjustment of Rs. 526.81 million on account of KGTPS Heat Rate impact for the period July 2016 to September 2021 as per NEPRA's decision dated November 05, 2021.
34. The same is being considered on provisional basis subject to adjustment if any on the basis of final verification by NEPRA



Previous adjustment of Rs. 145.57 million on account of KCCP Heat Rate impact July 2016 to June 2020 as per NEPRA's decision dated January 22, 2022

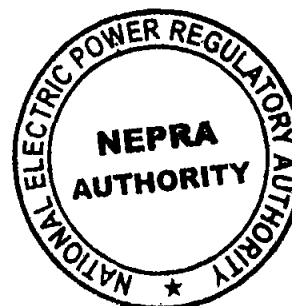
35. K-Electric has requested previous adjustment of Rs. 145.57 million on account of KCCP Heat Rate impact July 2016 to June 2020 as per NEPRA's decision dated January 22, 2022
36. The same is being considered on provisional basis subject to adjustment if any on the basis of final verification by NEPRA.

Previous Adjustment already allowed

37. The Authority in determination dated June 8, 2022 in the matter of Quarterly Adjustments of K-Electric for the Quarters ending September 2021 and December 2021 allowed Rs. 4,350 million to be allowed in every quarterly adjustment till March 2022 on account of approved revision in heat rate of BQPS I from July 2016 onwards. Accordingly, an amount of Rs. 4,350 million is also being made part of the instant adjustment as previous adjustment.
38. The Authority in determination dated June 8, 2022 in the matter of Quarterly Adjustments of K-Electric for the Quarters ending September 2021 and December 2021 allowed Rs. 146 million to be allowed in every quarterly adjustment till September 2022 on account of WPPF of K-Electric. Accordingly, an amount of Rs. 146 million is also being made part of the instant adjustment as previous adjustment.

ADJUSTMENT FOR NEGATIVE / POSITIVE FCA FOR CERTAIN CONSUMER CATEGORIES

39. 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 and agriculture consumers, similarly positive FCA is also not passed on to the life line consumers and the same is adjusted in quarterly adjustment.
40. Further, the Authority vide decision dated January 11, 2022, in the matter of request of the Ministry of Energy (Power Division) for extension in Support Package for Additional Consumption and Abolishment of Time of Use Tariff Scheme for Industrial Consumers of K-Electric decided that Positive monthly FCA would be applicable to B1, B2, B3, B4 and B5 industrial consumers on the incremental sales till continuation of the instant package, however, negative FCA would not be allowed. KE filed MLR against the said decision which was decided by the Authority however, KE has obtained stay order against both the decisions of the Authority.
41. In addition to the above NEPRA vide decision dated January 11, 2022 has also determined Winter Incentive Package for consumers of K-Electric, KE on the same also obtained stay order and filed MLR with NEPRA. NEPRA has determined the MLR.
42. K-Electric in its quarterly adjustment has not requested any amount either on account of positive or negative FCA not recovered or passed on to the consumers. During the period January to March 2022 the FCAs have been positive.
43. Based on the information provided by K-Electric an amount of Rs. 18.134 million works out as the amount that KE has not been able to recover from the consumer, thus needs to be incorporated in the quarterly adjustments.



44. Accordingly for the purpose of determination of quarterly adjustment for the 3rd quarter of FY 2021-22, the information submitted by K-Electric has been relied upon. In case of any variation, error, omission or misstatement found out at a later stage, K-Electric shall be responsible and the same would adjusted in the subsequent quarterly adjustments.
45. Based on the discussion in the preceding paragraphs and information provided by K-Electric, the Authority has determined the following quarterly adjustment for the Quarter ending March 2022.
46. K-Electric in its request has requested its quarterly adjustment based on the projected units to be sold in the next quarter of 5131 GWh. Now KE has provided its actual sent out units for the months of Apr – Jun 2022, which after adjusting for allowed losses works out as 4,943 GWh. Accordingly the same have been used in the calculation of Quarterly Adjustment.

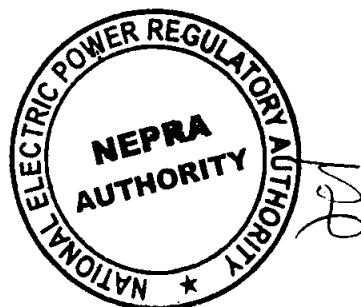
Description	Unit	Jan-22	Feb-22	Mar-22
Adjustment in SOT for the Quarter	Rs./kWh			3.5397
FCC of Own Generation	Rs./kWh			9.8784
FCC adjusted on Target T&D Losses	Rs./kWh			11.7530
Reference Own Generation FCC adjusted on Target T&D Losses	Rs./kWh			5.7553
Required adjustment in SOT of Own Generation to level up the tariff	Rs./kWh			5.9977
Power Purchases				
Fuel Cost	Rs./kWh			7.0043
FCC adjusted on Target T&D Losses	Rs./kWh			8.3335
Reference Power Purchase FCC adjusted on Target T&D Losses	Rs./kWh			8.5882
Required adjustment in SOT of Power Purchase FCC to level up the tariff	Rs./kWh			(0.2547)
Variable O&M and Capacity	Rs./kWh			3.64407
Variable O&M and Capacity adjusted on Target T&D Losses	Rs./kWh			4.33560
Reference Power Purchase Variable O&M and Capacity based on Target T&D Losses	Rs./kWh			4.72157
Required adjustment in SOT of Power Purchase Variable O&M and Capacity to level up the tariff	Rs./kWh			(0.3860)
Total Adjustment in SoT to Level up the Tariff	Rs./kWh			5.3570
Impact of Variation in Fuel cost to the extent of T&D losses				
Own Generation				
Monthly Approved FCA	Rs./kWh	0.3004	0.6202	5.0410
Total Units Sent Out	Gwh	1,094	1,144	1,629
Allowed Level of T&D losses	%	15.95%	15.95%	15.95%
Impact of Losses on FCA for Own Generation	Rs.Mln	52.42	113.19	1,309.66
Total impact of Losses FCA				1,475.26
Power Purchases				
Fuel Cost				
Monthly Approved FCA	Rs./kWh	2.9776	0.7661	(0.2141)
Total Units Sent Out	Gwh	1,094	1,144	1,629
Allowed Level of T&D losses	%	15.95%	15.95%	15.95%
Impact of Losses on FCA for Power Purchases	Rs.Mln	520	140	(56)
Total impact of Losses on FCA	Rs.Mln			604
G. Total	Rs.Mln			2,079
Impact of Variation in Variable O&M and Capacity	Rs.Mln	709.94	990.81	(528.41)
Total impact of Variable O&M and Capacity	Rs.Mln			1,172
Net Impact of Life Line, 300 units & Agriculture units	Rs.Mln			18
Total Un-Recovered Cost of the Quarter	Rs.Mln			3,270
WWF	Rs.Mln	-	-	-
WPPF	Rs.Mln	-	-	-
Previous Adjustment	Rs.Mln	-	-	4,327
Write Off	Rs.Mln	-	-	-
LDs	Rs.Mln	-	-	-
Units Sold during Next Quarter on allowed T&D Losses	GWh			4,943
Adjustment for the Quarter	Rs./kWh			1.5368
Reversal of Previous Quarter	Rs./kWh			(3.3541)
Net Adjustment for the Quarter	Rs./kWh			(1.8173)



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Whether the existing fixed charges applicable to different consumer categories needs to be revised and requires any changes in mechanism for charging of such charges based on Actual MDI or Sanction Load or otherwise?

47. On the issue K-Electric during the hearing submitted that as per existing Tariff structure of KE, certain consumer categories are levied fixed charges based on their actual MDI, however capacity cost are incurred based on peak plant and network requirement. KE further submitted that the DISCOs also requested NEPRA to revise the mechanism to charge fixed charges based on higher of MDI or 50% of sanctioned load. In addition to the above KE submitted that subsequently on June 2, 2022, the Authority in its recent determinations of DISCOs has revised the mechanism for levying of monthly fixed charges to various consumer categories and stated that "The Fixed charges shall now be charged, based on 50% of the sanctioned load or actual MDI for the month, whichever is higher". Considering the above KE submitted that currently tariff terms are uniform across Pakistan, therefore, this change be also adopted for KE.
48. During the hearing the consumers agitated that the billing should not be done based on 50% of sanctioned load or actual MDI whichever is higher and the current practice be continued.
49. Mr. Arif Bilwani a consumer of K-Electric vide written comments vehemently opposed the aforesaid move by KE on the pretext of the same being moved by all the DISCOs at their respective hearings and for the sake of Uniformity this should also be adopted for KE.
50. He further submitted that consumers who are charged tariff on two part basis that is Fixed Charge on the basis of Maximum Demand during the month and Variable Charge on the basis of total consumption of units, earnestly request the Authority not to make any change in the existing practice of charging Fixed Charges on the basis of recorded Maximum Demand. Any change in the existing practice will be highly detrimental and will lead to hefty increase in the monthly bill of the industrial consumers of Karachi who are already hard pressed because of the ever increasing tariff in the form of FCAs and Base Tariff.
51. He further put before the Authority following points;
- KE is a vertically integrated company having its own power generation which no other Disco has.
 - Although KE's power generation is always short of its requirement, which it meets by procuring from other sources, its tariff is set after taking into account all its three activities of Generation, Transmission & Distribution.
 - Since tariff of K-E is governed by MYT, for the last more than 20 years, duly approved by the Authority after due process of law. All its genuine & reasonable revenue requirements, after threadbare discussion, are incorporated in its fixed and variable tariff requirement.
 - In the last determined MYT of 2016-23 issue of fixed tariff was discussed & decided by the Authority in favor of K-E in the matter of MLR filed by K-E. Therefore, any change in Terms & Conditions of Supply of KE regarding the issue of Fixed Charges will tantamount to

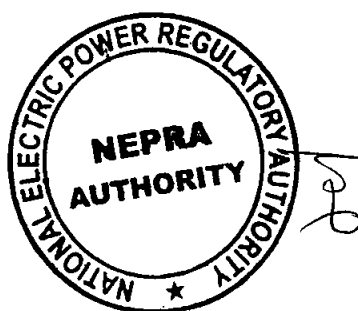


reopening of the MYT. Any change either in Terms of Tariff or in any definition can only be considered/undertaken after the expiry of the current MYT which is in force till June, 2023.

- Sanctioned Load is calculated by KE after taking into account the load of all the machines including the machines which are on standby, used only in emergency when the original running machines breakdown due to any reason, or machines which are redundant waiting for disposal. This load also includes the whole lighting load whether in use or not. The purpose of this whole exercise is to extract as much Security Deposit as can be done.
 - If the Sanctioned Load is breached at any time KE has the right under law to immediately issue notice to the consumer either for reduction of load or enhancement of load. These days KE is able to monitor the consumption of almost all its industrial consumers on real time basis which includes the running load, maximum load etc.
 - The Authority is requested to issue directives to KE for reduction of load of consumers who apply for the same without any physical survey but on the basis of the historical running load of the consumer.
 - If for the sake of argument that KE has to keep the sanctioned load of all the consumers readily available all the time then KE needs at least 12,179MW which it has sanctioned to all its consumers as on 30.6.2021. Neither KE has the capacity to generate & or procure this much of power nor its existing infrastructure permits it to handle such massive load.
 - If, for the sake of argument, KE's plea that there are many consumers who run their operation on Captive Power & only utilize KE when their captive power is not in operation is accepted even then it is not justified to penalize all the other majority consumers which do not have facility of captive power.
 - If we review the historical data of KE of its total available power and demand for power for the last many years it becomes clear that it has always remained deficient in fulfilling the demand of its consumers and always has to resort to planned/unplanned load shedding of which NEPRA is fully aware.
52. Based on the above he requested the Authority to please conduct a separate hearing only on this issue, if possible, in Karachi so that all the industrial consumers and their associations can present their view point on this burning issue.
53. Similar submissions have been made by Pakistan Hosiery Manufacturers & Exporters Association (PHMA) & SITE Association of Industry.
54. Pakistan Steel Melters Association have submitted the closed furnaces which are already under burden are being charged with 50% of the MDI, which is against the very ethics of business and accordingly requested to abolish this extra burden of 50% charging of MDI to let the industry revive.
55. The Authority has considered the submissions made by K-Electric and comments of different stake holders.



56. The Authority observed that as per the current tariff structure, certain consumer categories like Commercial, Industrial, Bulk and Agriculture are levied fixed charges, which are based on their actual MDI for the month. The Authority considers that the capacity charges of certain generation sources are not directly linked with energy received e.g. for CPPA-G is charged to KE based on the actual MDI and SNPC, SNPC II & STDC are charged based on availability.
57. However, the present consumer end tariff design is of volumetric nature whereby major portion of the Cost is charged / recovered from the consumers on Units consumed basis i.e. per kWh and only a small amount is recovered on MDIs basis from the consumers.
58. Regarding concern raised by stakeholder that any change either in Terms of Tariff or in any definition can only be considered/undertaken after the expiry of the current MYT which is in force till June, 2023, the Authority noted that as per the MYT determination dated July 5, 2018, it may review the tariff applicable to each class of consumers for rationalization or modification from time to time as deemed appropriate, in such a manner that the overall rate would remain the same.
59. Regarding concern raised by stakeholders that issue of fixed tariff has already been decided in the MLR decision of KE MYT, it may noted that the Authority allowed average tariff Rs. 12.8172/kWh to K-Electric including fixed charges and the same is maintained (excluding quarterly adjustments). However, KE vide letter dated April 10, 2022 has submitted that its average rate is less than the allowed. Therefore increase in the fixed charges and revision in terms and conditions if results in increase in average rate beyond Rs. 12.8172/kWh the same would be adjusted as already done by the Authority in the previous quarterly adjustment of KE.
60. In view thereof, decision of the Authority dated 01.11.2021 in the matter of wheeling and to ensure that Hybrid BPCs, who keep DISCOs connection as backup, also share portion of the fixed Costs, the Authority has decided to change the mechanism for levying of monthly fixed charges to various categories of consumers. The Fixed charges shall be charged, based on 50% of the sanctioned load or actual MDI for the month, whichever is higher. However, in such cases, no minimum monthly charges would be billed even if no energy is consumed. Here it is pertinent to mention that the change in terms and condition in the case of XWDISCOs regarding charging of fixed charges based on 50% of sanctioned load or actual MDI whichever is higher has not yet been notified therefore, the Authority has decided to make the same applicable in KE once the revised tariff of XWDISCOs is notified.
61. Regarding, setting of sanctioned load the Authority has decided to hold a discussion session with all the stakeholders regarding mechanism for determination of sanctioned load.
62. 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.
63. 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



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~~Jul - Sep - 2021 and Oct - Dec - 2021~~ have been prepared and are attached herewith, which shall
be applicable in the quarter ~~Oct - Dec - 2021 & Jan - Mar - 2022~~ respectively. *Apr - Jun - 22.*

64. 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. *Handwritten: Math SF PD 11*

AUTHORITY

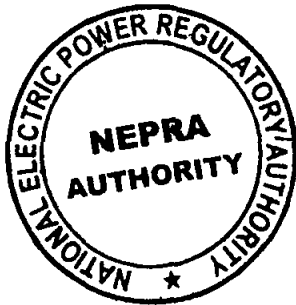
Handwritten signature of Rafique Ahmed Shaikh

Rafique Ahmed Shaikh
Member

Handwritten signature of Engr. Maqsood Anwar Khan

Engr. Maqsood Anwar Khan
Member

Handwritten signature of Tauseef H. Farooqi
Tauseef H. Farooqi
Chairman



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

APPLICABLE FOR THE QUARTER APRIL - JUNE 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
Protected Unprotected	a) For Sanctioned load less than 5 kW	-	4.00				4.00	
	i) Up to 50 Units - Life Line	-	23.41		3.55		26.96	
	ii) 51 - 100 Units - Life Line	-	23.41		3.55		26.96	
	iii) 001 - 100 Units	-	25.00		3.55		28.55	
	iv) 101 - 200 Units	-	23.41		3.55		26.96	
	v) 001- 100 Units	-	25.00		3.55		28.55	
	vi) 101- 200 Units	-	26.21		3.55		29.76	
	vii) 201- 300 Units	-	27.26		3.55		30.81	
	viii) 301- 400 Units	-	27.26		3.55		30.81	
	ix) 401- 500 Units	-	27.26		3.55		30.81	
	x) 501- 600 Units	-	27.26		3.55		30.81	
	xi) 601- 700 Units	-	29.61		3.55		33.16	
xii) Above 700 Units	-							
b) For Sanctioned load 5 kW & above								
	Time Of Use	-	30.82	26.64	3.55	3.55	34.37	30.19

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	-	27.57		3.55		31.12	
b)	For Sanctioned load 5 kW & above	440.00	26.80		3.55		30.35	
c)	Time Of Use	440.00	30.81	26.58	3.55	3.55	34.36	30.13

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	-	27.76	3.55	31.31

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)	-	27.81		3.55		31.36	
B2(a)	25-500 kW (at 400 Volts)	440.00	26.96		3.55		30.51	
B3(a)	For all loads upto 5000 KW (at 11,33 kV)	420.00	26.81		3.55		30.36	
B4(a)	For all loads upto 5000 KW (at 66,132 kV)	400.00	26.31		3.55		29.86	
	Time Of Use							
B1(b)	Upto 25 kW (at 400/230 Volts)	-	30.81	26.81	3.55	3.55	34.36	30.36
B2(b)	25-500 kW (at 400 Volts)	440.00	30.81	26.31	3.55	3.55	34.36	29.86
B3(b)	For All Loads up to 5000 kW (at 11,33 kV)	420.00	30.81	25.81	3.55	3.55	34.36	29.36
B4(b)	For All Loads (at 66,132 kV & above)	400.00	30.81	25.56	3.55	3.55	34.36	29.11
B5	For All Loads (at 220 kV & above)	340.00	30.81	24.81	3.55	3.55	34.36	28.36

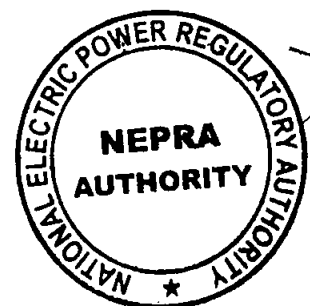
For B1 consumers there shall be a fixed minimum charge of Rs. 350 per month.

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.



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	-	27.81		3.55		31.36	
	a) Sanctioned load less than 5 kW		26.81		3.55		30.36	
	b) Sanctioned load 5 kW & up to 500 kW	440.00	26.81		3.55		30.36	
C-2(a)	For supply at 11,33 kV up to and including 5000 kW	420.00	26.81		3.55		30.36	
C-3(a)	For supply at 132 and above, up to and including 5000 kW	400.00	26.31		3.55		29.86	
	Time Of Use		Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
C-1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	440.00	30.81	26.31	3.55	3.55	34.36	29.86
C-2(b)	For supply at 11,33 kV up to and including 5000 kW	420.00	30.81	25.81	3.55	3.55	34.36	29.36
C-3(b)	For supply at 132 kV up to and including 5000 kW	400.00	30.81	25.56	3.55	3.55	34.36	29.11

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	200.00	25.53		3.55		29.08	
	Time of Use		Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
D-2	For all Loads	200.00	30.81	25.11	3.55	3.55	34.36	28.66

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	-	28.31		3.55		31.86	
E-1(ii)	Commercial Supply	-	28.91		3.55		32.46	
E-2 (i)	Industrial Supply	-	29.36		3.55		32.91	
E-2 (ii)	Bulk Supply							
	(a) at 400 Volts	-	29.31		3.55		32.86	
	(b) at 11 kV	-	29.29		3.55		32.84	

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	-	28.21		3.55		31.76	

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	-	28.31		3.55		31.86	

