



Ref. No. RA&SP/NEPRA/071/230

Dated: July 18, 2014

The Registrar
National Electric Power Regulatory Authority
NEPRA Office Tower, Ataturk Avenue, G-5/1
Islamabad

Subject: **MONTHLY FUEL COST ADJUSTMENT (FCA) DUE TO VARIATION IN FUEL AND POWER PURCHASE PRICE FOR THE MONTH OF JUNE 2014**

Dear Sir

This is with reference to fuel cost adjustment based on units sent out for the month of June 2014, as per tariff determination of 23rd December 2009.

Required Monthly Adjustment:

The submission is based on the original invoice of NTDC for the month of June-14, received on 17th July, 2014. Further, the units sent out on Gas and Furnace oil at Bin Qasim Power Station haven been worked out in the ratio of actual units generated on Gas & F.Oil at BQPS-I and the cost is accounted for on the basis of notified prices.

The summarized position is as under;

DESCRIPTION	June-2014 (Over Mar-14)	
	(Mill. Rs.)	(Ps./kWh)
Fuel Price Variation	87.706	5.639
Power Purchase Price Variation	(591.844)	(38.050)
Total Fuel Costs Adjustment	(504.138)	(32.412)

Economic Dispatch Order

Further, KE dispatches as per Economic Merit Order from its own generating units (with the available fuel resources) and import from external sources. It is also certified that the cost of fuel and power purchase claimed does not include any amount of late payment surcharge/ markup/ interest. All the requisite details including generating statistic sheets and invoices are attached.

Sincerely,

M. Aamir Ghaziani
Director (Controlling, Accounts & Regulations)

Encl.

k Electric Limited (Formerly KESC Ltd.)**SUMMARY OF REQUIRED ADJUSTMENT ON ACCOUNT OF VARIATION IN COST OF FUEL AND POWER PURCHASES**

DESCRIPTION		Mar-14	Apr-14	May-14	Jun-14
1 REQUIRED ADJUSTMENT IN TARIFF (FSA) ON UNITS SOLD BASIS					
a. Monthly Variation in					
i Fuel Price	Mill Rs.	820.447	(522.963)	(570.572)	87.706
ii Power Purchase Price	Mill Rs.	387.646	(244.576)	(834.232)	(723.520)
iii Total Monthly Variation (i + ii) - Over Reference Tariff	Mill Rs.	1,208.09	(767.54)	(1,404.80)	(635.81)
b. Units Sold at 17% T&D losses	Mill kWh	970.98	1,108.04	1,274.97	1,291.01
2					
a. Monthly Variation in					
i Fuel Price (1ai/1b)	Ps/kWh	84.497	(47.197)	(44.752)	6.794
ii Power Purchase Price (1aii/1b)	Ps/kWh	39.923	(22.073)	(65.431)	(56.043)
b Monthly increase/decrease to be passed to Consumers (i+ii)	Ps/kWh	124.420	(69.270)	(110.183)	(49.250)
MONTHLY SHORTFALL/(SURPLUS) IN REVENUE (1 -2)					
c. Increase/ Decrease in Revenue due to FSA	Mill Rs.	1,208.09	(767.54)	(1,404.80)	(635.81)
1 MONTHLY ALLOWABLE ADJUSTMENT ON UNITS SENT OUT BASIS					
a. Monthly Variation in					
i Fuel Price	Mill Rs.	820.447	(522.963)	(570.572)	87.706
ii Power Purchase Price - Fuel component	Mill Rs.	275.264	(265.709)	(689.942)	(591.844)
iii Total Monthly Variation (i + ii) - Over Reference Tariff	Mill Rs.	1,095.710	(788.672)	(1,260.514)	(504.138)
b. Units Sent Out	Mill kWh	1,169.855	1,334.991	1,536.113	1,555.428
2					
a Monthly Variation in FSA - due to					
i Fuel Price	Ps/kWh	70.132	(39.174)	(37.144)	5.639
ii Power Purchase Price - Fuel component	Ps/kWh	23.530	(19.903)	(44.915)	(38.050)
b Monthly increase/decrease to be passed to Consumers (i+ii)	Ps/kWh	93.662	(59.077)	(82.059)	(32.412)

Work Sheet- Generation Fuel Cost Variation

DESCRIPTION		Mar-14	Apr-14	May-14	Jun-14
1 UNITS SENT OUT - KE					
1a UNITS SENT OUT ON GAS					
i Bin Qasim	Mill kWh	118.980	170.195	200.840	191.227
ii Bin Qasim II - CCPP	Mill kWh	240.300	267.246	345.512	316.904
iii Korangi Thermal	Mill kWh	(0.049)	(0.051)	(0.063)	(0.073)
iv Korangi Gas 2	Mill kWh	35.574	6.484	47.151	52.799
v Site Gas 2	Mill kWh	4.719	43.997	21.181	23.852
vi Korangi combined	Mill kWh	28.067	86.861	99.321	83.430
Total (i to viii)	Mill kWh	427.592	574.731	713.943	668.139
1b UNITS SENT OUT ON F. OIL					
i Bin Qasim	Mill kWh	142.523	165.582	202.094	271.708
Total (i to viii)	Mill kWh	142.523	165.582	202.094	271.708
1c TOTAL UNITS SENT OUT (1 + 2)					
i Bin Qasim	Mill kWh	261.503	335.777	402.934	462.935
ii Bin Qasim II - CCPP	Mill kWh	240.300	267.246	345.512	316.904
iii Korangi Thermal	Mill kWh	(0.049)	(0.051)	(0.063)	(0.073)
iv Korangi Gas 2	Mill kWh	35.574	6.484	47.151	52.799
v Site Gas 2	Mill kWh	4.719	43.997	21.181	23.852
vi Korangi combined	Mill kWh	28.067	86.861	99.321	83.430
Total (i to vii)	Mill kWh	570.115	740.313	916.037	939.847
2 HEAT RATE AT BUS BAR					
2a Heat Rate of GAS - of item 1					
i Bin Qasim	Btu/kWh	10,650	10,650	10,650	10,650
ii Bin Qasim II - CCPP	Btu/kWh	8,605	8,605	8,605	8,605
iv Korangi Gas 2	Btu/kWh	9,500	9,500	9,500	9,500
v Site Gas 2	Btu/kWh	9,500	9,500	9,500	9,500
vi Korangi combined	Btu/kWh	9,110	9,110	9,110	9,110
2b CONVERSION FACTOR F. OIL - of item 2					
i Bin Qasim	Kg/kWh	0.264	0.264	0.264	0.264
ii Korangi Thermal	Kg/kWh	0.340	0.340	0.340	0.340
3 FUEL PRICES					
a. Fuel Prices- Gas (Rs/MMBTu)	Rs/MMBTu	515.23	515.23	515.23	515.23
b. Fuel Price -F.O (Rs/Kg)	Rs/Kg	66,780	59,656	60,071	64,718
4 COST OF FUEL					
4a COST OF GAS					
i Bin Qasim	Mill Rs	652.867	933.893	1,102.051	1,049.303
ii Bin Qasim II - CCPP	Mill Rs	1,065.383	1,184.850	1,531.846	1,405.011
iii Korangi Thermal	Mill Rs	-	-	-	-
iv Korangi Gas 2	Mill Rs	174.123	31.735	230.791	258.435
v Site Gas 2	Mill Rs	23.099	215.351	103.676	116.747
vi Korangi combined	Mill Rs	131.740	407.703	466.189	391.599
Total (i to vii)	Mill Rs	2,047.212	2,773.531	3,434.553	3,221.094
4b COST OF FURNACE OIL					
i Bin Qasim	Mill Rs	2,512.660	2,607.768	3,204.948	4,642.294
Total (i to vii)	Mill Rs	2,512.660	2,607.768	3,204.948	4,642.294

Work Sheet- Generation Fuel Cost Variation

DESCRIPTION		Mar-14	Apr-14	May-14	Jun-14
4c TOTAL COST OF FUEL					
i Bin Qasim	Mill Rs	3,165.527	3,541.661	4,307.000	5,691.597
ii Bin Qasim II - CCPP	Mill Rs	1,065.383	1,184.850	1,531.846	1,405.011
iv Korangi Gas 2	Mill Rs	174.123	31.735	230.791	258.435
v Site Gas 2	Mill Rs	23.099	215.351	103.676	116.747
vi Korangi combined	Mill Rs	131.740	407.703	466.189	391.599
Total	Mill Rs	4,559.873	5,381.299	6,639.502	7,863.388
5 COST OF FUEL PER KWH					
a Bin Qasim	Rs/kWh	12.105	10.548	10.689	12.295
b Bin Qasim II - CCPP	Rs/kWh	4.434	4.434	4.434	4.434
d Korangi Gas 2	Rs/kWh	4.895	4.895	4.895	4.895
e Site Gas 2	Rs/kWh	4.895	4.895	4.895	4.895
f Korangi combined	Rs/kWh	4.694	4.694	4.694	4.694
6 INCREASE/DECREASE IN COST OF FUEL PER KWH					
a Bin Qasim	Rs/kWh	3.137	(1.557)	(1.416)	0.189
b Bin Qasim II - CCPP	Rs/kWh	-	-	-	-
d Korangi Gas 2	Rs/kWh	-	-	-	-
e Site Gas 2	Rs/kWh	-	-	-	-
f Korangi combined	Rs/kWh	-	-	-	-
7 INCREASE / DECREASE IN FUEL COST OVER PREVIOUS MONTH					
a Bin Qasim	Mill Rs	820.447	(522.963)	(570.572)	87.706
b Bin Qasim II - CCPP	Mill Rs	-	-	-	-
d Korangi Gas 2	Mill Rs	-	-	-	-
e Site Gas 2	Mill Rs	-	-	-	-
f Korangi combined	Mill Rs	-	-	-	-
Total (a to g)	Mill Rs	820.447	(522.963)	(570.572)	87.706
8 INCREASE / DECREASE IN TARIFF TO BE PASSED IN THE MONTHLY BILLS					
a Fuel price variation (item 7-h)	Mill Rs	820.447	(522.963)	(570.572)	87.706
b Units Sent Out - KE	Mill kWh	570.115	740.313	916.037	939.847
c Power Purchase	Mill kWh	599.741	594.677	620.076	615.581
d Total Units Sent Out (b + c)	Mill kWh	1,169.855	1,334.991	1,536.113	1,555.428
e Increase / Decrease in Tariff (8a / 8d x 100)					
To be passed on to the consumers - FSA	Ps/kWh	70.132	(39.174)	(37.144)	5.639
9 INCREASE / DECREASE IN REVENUE					
a Units Sold	Mill kWh	970.980	1,108.042	1,274.974	1,291.005
b Increase / Decrease in Tariff	Ps/kWh	70.132	(39.174)	(37.144)	5.639
c Increase / Decrease in Revenue (9a / 9b x 100)	Mill Rs	680.971	(434.059)	(473.575)	72.796
d Accumulated Increase / decrease in revenue	Mill Rs	1,188.464	(434.059)	(907.633)	(834.838)
d Unrecovered Cost due to T&D loss		139.476	(88.904)	(96.997)	14.910
10 INCREASE / DECREASE IN TARIFF TO BE ADJUSTED ON QUARTERLY BASIS					
a Fuel price variation - item 8a	Mill Rs	820.447	(522.963)	(570.572)	87.706
b Units Sent Out - KE	Mill kWh	570.115	740.313	916.037	939.847
c Power Purchase	Mill kWh	599.741	594.677	620.076	615.581
d Total Units Sent Out	Mill kWh	1,169.855	1,334.991	1,536.113	1,555.428
e Trans & Dist Losses	17%		17%	17%	17%
f Units Sold (10d - 10e)	Mill kWh	970.980	1,108.042	1,274.974	1,291.005

Work Sheet- Power Purchase Cost Variation

DESCRIPTION		Mar-14	Apr-14	May-14	Jun-14
1 POWER PURCHASES					
a	KANUPP Mill kWh	-	-	-	-
b	PASMIC Mill kWh	0.444	1.097	1.077	1.563
c	TAPAL Mill kWh	60.084	59.830	70.582	75.225
d	GUL AHMED Mill kWh	56.187	72.520	78.466	75.406
e	NTDC/WAPDA Mill kWh	468.644	447.686	455.623	448.914
f	ANOUD POWER Mill kWh	7.928	7.175	7.991	8.287
h	INT IND (IIL) Mill kWh	6.453	6.369	6.338	6.186
m	TOTAL Mill kWh	599.741	594.677	620.076	615.581
2 COST OF POWER PURCHASE - FUEL COST					
a	KANUPP Mill Rs	-	-	-	-
b	PASMIC Mill Rs	3.741	8.530	8.273	13.862
c	TAPAL Mill Rs	895.564	839.188	975.212	1,070.773
d	GUL AHMED Mill Rs	881.902	1,008.604	1,066.299	1,121.929
e	NTDC/WAPDA Mill Rs	4,302.858	3,922.785	3,560.455	3,450.581
f	ANOUD POWER Mill Rs	91.246	78.594	86.417	91.808
h	INT IND (IIL) Mill Rs	36.841	36.296	36.193	35.430
m	TOTAL Mill Rs	6,212.152	5,893.997	5,732.849	5,784.383
3 COST OF POWER PURCHASE- Fuel Cost/kWh					
a	KANUPP Rs/kWh	-	-	-	-
b	PASMIC Rs/kWh	8.430	7.773	7.683	8.871
c	TAPAL Rs/kWh	14.905	14.026	13.817	14.234
d	GUL AHMED Rs/kWh	15.696	13.908	13.589	14.878
e	NTDC/WAPDA Rs/kWh	9.182	8.762	7.814	7.687
f	ANOUD POWER Rs/kWh	11.509	10.954	10.815	11.078
h	INT IND (IIL) Rs/kWh	5.709	5.699	5.711	5.728
m	AVERAGE Rs/kWh	10.358	9.911	9.245	9.397
4 INCREASE / DECREASE IN FUEL COMPONENT OF POWER PURCHASE - TO BE PASSED IN THE MONTHLY BILLS					
a	Average Monthly Fuel cost of Rs/kWh	10.358	9.911	9.245	9.397
b	Reference Rate - Previous Month Rs/kWh	9.899	10.358	10.358	10.358
c	Increase / Decrease in Average Rs/kWh	0.459	(0.447)	(1.113)	(0.961)
d	Total Power Purchase (Item Mill kWh)	599.741	594.677	620.076	615.581
e	Increase / Decrease in Fuel Cost Mill Rs	275.264	(265.709)	(689.942)	(591.844)
5 INCREASE / DECREASE IN TARIFF TO BE PASSED IN THE MONTHLY BILLS					
a	Fuel price variation in cost of power purch	275.264	(265.709)	(689.942)	(591.844)
b	Units Sent Out - KE Mill kWh	570.115	740.313	916.037	939.847
c	Power Purchase Mill kWh	599.741	594.677	620.076	615.581
d	Total Units Sent Out (b + c) Mill kWh	1,169.855	1,334.991	1,536.113	1,555.428
e	Increase / Decrease in Tariff (5a / 5d x 100)				
	To be passed on to the consurr Ps/kWh	23.530	(19.903)	(44.915)	(38.050)
6 INCREASE / DECREASE IN REVENUE					
a	Units Sold Mill kWh	970.980	1,108.042	1,274.974	1,291.005
b	Increase / Decrease in Tariff (it Ps/kWh)	23.530	(19.903)	(44.915)	(38.050)
c	Increase / Decrease in Revenue Mill Rs	228.469	(220.539)	(572.652)	(491.230)
d	Accumulated increase / decrea Mill Rs	1,094.557			(491.230)

Work Sheet- Power Purchase Cost Variation

DESCRIPTION		Mar-14	Apr-14	May-14	Jun-14
7 O&M PAYMENT					
a	KANUPP Mill Rs	-	-	-	-
b	PASMIC Mill Rs	1.217	3.008	2.952	4.283
c	TAPAL Mill Rs	62.235	61.972	73.108	77.918
d	GUL AHMED Mill Rs	33.977	43.853	47.449	45.598
e	NTDC/WAPDA Mill Rs	949.868	953.955	828.936	827.063
f	ANOUD POWER Mill Rs	14.036	12.703	14.514	15.053
h	INT IND (IIL) Mill Rs	10.028	9.970	9.909	9.507
m	TOTAL Mill Rs	1,071.360	1,085.462	976.867	979.422
8 O&M PAYMENT (Rs/kWh)					
a	KANUPP Rs/kWh	-	-	-	-
b	PASMIC Rs/kWh	2.741	2.741	2.741	2.741
c	TAPAL Rs/kWh	1.036	1.036	1.036	1.036
d	GUL AHMED Rs/kWh	0.605	0.605	0.605	0.605
e	NTDC/WAPDA Rs/kWh	2.027	2.131	1.819	1.842
f	ANOUD POWER Rs/kWh	1.770	1.770	1.816	1.816
h	INT IND (IIL) Rs/kWh	1.554	1.566	1.563	1.537
m	TOTAL Rs/kWh	1.786	1.825	1.575	1.591
n	Variation over Base Rate Rs/kWh	0.167	0.039	(0.211)	(0.195)
o	Variation over Base Rate (8a*1r Mill Rs	100.096	23.147	(130.820)	(120.234)
9 CAPACITY PAYMENT					
c	TAPAL Mill Rs	141.208	138.444	138.444	138.444
d	GUL AHMED Mill Rs	129.308	127.775	127.775	127.775
m	TOTAL Mill Rs	270.516	266.219	266.219	266.219
10 CAPACITY PAYMENT (Rs/ kWh)					
c	TAPAL Rs/kWh	2.350	2.314	1.961	1.840
d	GUL AHMED Rs/kWh	2.301	1.762	1.628	1.694
m	TOTAL Rs/kWh	0.451	0.448	0.429	0.432
n	Variation over Base Rate Rs/kWh	0.020	(0.003)	(0.022)	(0.019)
o	Variation over Base Rate (10n*: Mill Rs	12.287	(2.013)	(13.470)	(11.442)
11 TOTAL O&M & CAPACITY PAYMENT					
a	KANUPP Mill Rs	-	-	-	-
b	PASMIC Mill Rs	1.217	3.008	2.952	4.283
c	TAPAL Mill Rs	203.443	200.416	211.553	216.363
d	GUL AHMED Mill Rs	163.285	171.627	175.223	173.373
e	NTDC/WAPDA Mill Rs	949.868	953.955	828.936	827.063
f	ANOUD POWER Mill Rs	14.036	12.703	14.514	15.053
h	INT IND (IIL) Mill Rs	10.028	9.970	9.909	9.507
m	TOTAL Mill Rs	1,341.876	1,351.681	1,243.086	1,245.641
12 TOTAL COST WITH O&M AND CAPACITY PAYMENT					
a	KANUPP Mill Rs	-	-	-	-
b	PASMIC Mill Rs	4.958	11.538	11.225	18.145
c	TAPAL Mill Rs	1,099.007	1,039.604	1,186.764	1,287.136
d	GUL AHMED Mill Rs	1,045.186	1,180.231	1,241.522	1,295.302
e	NTDC/WAPDA Mill Rs	5,252.726	4,876.740	4,389.391	4,277.645
f	ANOUD POWER Mill Rs	405.282	91.297	100.931	106.860
h	INT IND (IIL) Mill Rs	46.869	46.267	46.102	44.937
m	TOTAL Mill Rs	7,554.028	7,245.678	6,975.935	7,030.024

Work Sheet- Power Purchase Cost Variation

DESCRIPTION		Mar-14	Apr-14	May-14	Jun-14
13 COST OF POWER PURCHASE- TOTAL Cost/kWh					
a	KANUPP Rs/kWh	-	-	-	-
b	PASMIC Rs/kWh	11.171	10.514	10.424	11.612
c	TAPAL Rs/kWh	18.291	17.376	16.814	17.110
d	GUL AHMED Rs/kWh	18.602	16.275	15.822	17.178
e	NTDC/WAPDA Rs/kWh	11.208	10.893	9.634	9.529
f	ANOUD POWER Rs/kWh	13.280	12.724	12.631	12.894
h	INT IND (IIL) Rs/kWh	7.263	7.265	7.274	7.265
m	AVERAGE Rs/kWh	12.595	12.184	11.250	11.420
14 INCREASE / DERCREASE IN POWER PURCHASE COST - TOTAL					
a	Averge Monthly cost of Pow Rs/kWh	12.595	12.184	11.250	11.420
b	Reference Rate - Previous Mont Rs/kWh	11.949	12.595	12.595	12.595
c	Increase / Decrease in Average Rs/kWh	0.646	(0.411)	(1.345)	(1.175)
d	Total Power Purchase (Item Mill kWh	599.741	594.677	620.076	615.581
e	Increase / Decrease in Total Co: Mill Rs	387.646	(244.576)	(834.232)	(723.520)
f	Adjustment in cost of KANUPP				
g	Unrecovered cost Previous Quarter				
h	Total (e+f+g)	387.646	(244.576)	(834.232)	(723.520)
15 INCREASE / DERCREASE IN TARIFF					
TO BE ADJUSTED ON QUARTERLY BASIS					
a	Total price variation in cost of p Mill Rs	387.646	(244.576)	(834.232)	(723.520)
Units Sent Out					
b	KE Mill kWh	570.115	740.313	916.037	939.847
c	Power Purchase Mill kWh	599.741	594.677	620.076	615.581
d	Total Units Sent Out (b+c) Mill kWh	1,169.855	1,334.991	1,536.113	1,555.428
e	Trans & Dist Losses	17.0%	17.0%	17.0%	17.0%
f	Units Sold (15d-15e) Mill kWh	970.980	1,108.042	1,274.974	1,291.005
g	Increase / Decrease in Tariff				
h	Power Purchase (15a/15f) Ps/kWh	39.923	(22.073)	(65.431)	(56.043)