

**National Electric Power Regulatory Authority**

**NOTIFICATION**



Islamabad, the 26<sup>th</sup> day of April, 2024

S.R.O. 616(Q)/2024.- In pursuance of Proviso-ii of Sub-Section 7 of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), NEPRA hereby notifies the Decision of the Authority dated 04<sup>th</sup> August, 2023 in the matter of Quarterly Adjustments of K-Electric Limited for the Quarter ending September 2022 in Case No. NEPRA/TRF-362/K-Electric-2016.

2. The concerned entities including K-Electric and Central Power Purchasing Agency Guarantee Limited (CPPAGL) shall keep in view and strictly comply with the orders of the courts notwithstanding this Decision.

3. Notwithstanding the notification of the attached decision of the Authority, the consumers of K-Electric shall not be charged the tariff outlined therein, rather will be charged tariff as applicable to consumers of XWAPDA DISCOs pursuant to the policy guidelines issued by the Federal Government (communicated vide correspondence dated August 22, 2023) in order to give effect to the para 5.6.3 of the National Electricity Policy, 2021.

  
(Engr. Mazhar Iqbal Ranjha)  
Registrar  


**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY ADJUSTMENT OF  
K-ELECTRIC LIMITED FOR THE QUARTER ENDING SEPTEMBER 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, if any, 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 variation in Power Purchase Price (PPP) and to reset the price level for the quarter ending September 2022 along with supporting documents.
5. K-Electric initially requested an adjustment of negative Rs.7.833/kWh, for the quarter ending September 2022, however, subsequently, K-Electric revised its claim to negative Rs.8.2962/kWh.

**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.
7. The hearing was accordingly held on November 30, 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 issue was framed for discussion during the hearing regarding quarterly adjustment;



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- i. Whether the requested quarterly variations are justified?
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 as 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. In case of any misrepresentation, 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;

Issue: Whether the requested quarterly variations are justified?

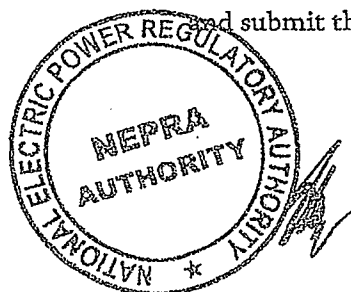
12. While going through the data / information provided by K-Electric regarding quarterly adjustments, the Authority's observations are as under;
13. The Authority in order to work out the amount of adjustments claimed by K-Electric for the energy purchased from National Grid, obtained details of actual 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 the energy purchased from national grid, has claimed an amount of Rs.13,904.08 million for Capacity Payment, UoSC & MoF and Rs.725.175 million for Variable O&M. The Capacity charges and variable O&M claimed by K-Electric has been verified from the DISCO wise settlement information provided by CPPA-G and has been considered as part of the current quarterly adjustment .

Oursun

14. K-Electric in its adjustment request has claimed Rs.470.1 million for the energy purchased from Oursun. The same i.e. an amount of Rs.470.1 million, has been allowed as part of instant adjustments including cost of Non Project Missed Volume (NMPV), on account of energy purchased from Oursun. The cost on account of NPMV is being allowed on provisional basis, subject to adjustment, once Technical verification by NEPRA is completed.

Previous Adjustment of Oursun

K-Electric has requested previous adjustment of around Rs.15 million on account of NPMV impact till August 2022, based on the approval of EPA between KE and Oursun by NEPRA dated March 09, 2022. An amount of Rs.11.11 million is being allowed in this regard, on provisional basis, subject to adjustment, once Technical verification by NEPRA is completed. K-Electric is directed to incorporate the revised mechanism of calculation of NPMV in its EPA and submit the same for approval of the Authority.



Previous Adjustments of Insurance Cost- Oursun Solar

15. Regarding insurance claim for the period from November 30, 2021 to November 29, 2022, KE has claimed insurance cost of Rs.24 million, the same has been reviewed by the Authority and accordingly an amount of Rs.23.893 million has been included while working out the instant quarterly adjustment of K-Electric.

Tapal Energy Limited (TEL)

16. For the energy purchased from Tapal Energy, KE has claimed Rs.364.2 million as capacity and Rs.149.27 million as Variable O&M. Here it is pertinent to mention the Authority vide decision dated 23.01.2023, decided to extend the term of tariff till 30<sup>th</sup> April 2023 or lifting of the moratorium period before the stipulated date, whichever comes earlier, on the same terms & conditions approved vide decision dated 9<sup>th</sup> June 2020.
17. In view thereof, the cost claimed by K-Electric for Tapal Energy amounting to Rs.513.47 million has been considered while working out the instant quarterly adjustment.

Gul Ahmed Energy Limited (GAEL)

18. For the energy purchased from Gul Ahmed, K-Electric has claimed cost of Rs.492.52 million as capacity and Rs.177.53 million on account of variable O&M. Here it is pertinent to mention the Authority vide decision dated 22.02.2023, decided to extend the term of tariff till 30<sup>th</sup> April 2023 or lifting of the moratorium period before the stipulated date, whichever comes earlier, on the same terms & conditions approved vide decision dated 3<sup>rd</sup> June 2020.
19. In view thereof, the cost claimed by K-Electric for Gul Ahmad Energy amounting to Rs.670.05 million has been considered, while working out the instant quarterly adjustment.

Tapal & Gul Ahmed KIBOR

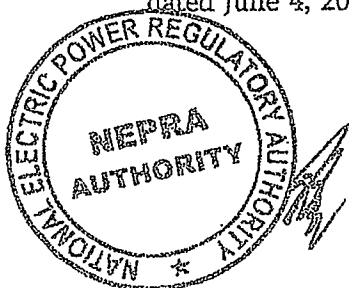
20. KE in its claim has requested an amount of Rs.0.21 million under the head of capacity cost of Tapal and Gul Ahmed, to be allowed due to change in KIBOR Rate w.r.t Authority's decision dated June 08, 2022. The same has been considered and made part of the instant Quarterly working.

SNPC & SNPC-II

21. 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....."*

22. Here it is pertinent to mention that subsequently, 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. The same has been notified by NEPRA on May 31, 2022.

23. Afterwards, NEPRA vide two decisions dated August 11, 2022, has revised capacity charges for SNPC & SNPC II for the period under review which included the RoE and RoEDC. KE in its request has already used the same numbers and the same have been considered.
24. K-Electric has requested Rs.279.62 million for capacity charges of SNPC & Rs.250.83 million for SNPC II for the period July – September 2022.
25. The variable & fixed O&M, Debt servicing, Insurance and ROE/ROEDC of SNPC and SNPC-II, have been included in the instant tariff adjustments of K-Electric, as per the rates approved by the Authority. However, the cost being allowed is strictly on provisional basis, subject to its adjustment, if required, in the light of the final decision(s) of the Authority, based on third party audit/ verification of capacity charges of SNPC & SNPC-II.

Variable O&M & STDC's line losses

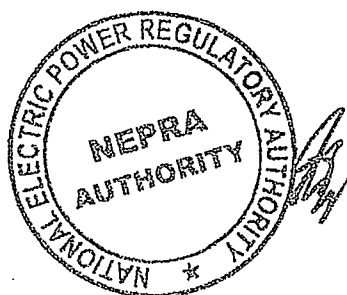
26. The Authority vide decision dated January 09, 2020, allowed a Transmission loss level with a cap of 2% to STDC, from the date of decision i.e. 09.01.2020. Therefore, for the period from 09.01.2020 onward, STDC losses with a cap of 2% have been considered while allowing the instant tariff adjustments of K-Electric.
27. K-Electric in its request has requested Rs.211.85 million under the head of O&M for SNPC, SNPC II & O&M related to STDC's line losses. The Authority vide decision dated August 11, 2022 has approved Quarterly indexation of both SNPC and SNPC-II, for the quarter July to September 2022. The same has been considered by the Authority in the instant quarterly adjustments.

STDC Wheeling Charges

28. The Authority determined tariff of STDC, a 101.59 MW capacity, 132 kV transmission line project vide its determination dated February 10, 2017 and allowed a tariff of Rs.0.4547/kW/hour for the first ten years of the project. Later on, in the Review decision dated June 14, 2018, the tariff was enhanced to Rs.0.4665/kW/hour for the first ten years.
29. NEPRA subsequently vide decision dated August 17, 2022 has approved indexation for the period under review to Rs.0.6301/kW/Hr.
30. K-Electric has claimed Rs.140.6 million on account of STDC capacity cost, and the same has been accounted for by the Authority in the instant quarterly adjustment.

Fauji Power Company Limited (FPCL)

31. The 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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32. The period of 3 months have lapsed on May 8, 2022 and as per record no such detail/evidence has been submitted by FPCL. In view thereof, while processing the instant quarterly adjustment for the period July to September 2022 no cost is proposed on account of Water Charges, Ash Disposal & Limestone. Here it is pertinent to mention that KE has also not claimed any cost on this account.
33. For the other components i.e. O&M, Cost of Working Capital, Insurance, RoE, Debt Repayment & Interest Charges, KE in its adjustment request has claimed an amount of Rs.590.6 million, and the same has been considered.

Previous Adjustments of FPCL

34. KE in its quarterly claim also requested Rs.453 million as previous adjustment owing to revision in fuel component of FPCL for May to July 2022. The Authority vide its decision dated August 11, 2022, allowed Fuel Cost component of Rs.23.2814/kWh w.e.f. May 31, 2022, however, KE in its FCA request for May, June & July 2022, had requested fuel cost based on previously determined FCC rate of Rs.17.2306/kWh as the revised rate was not determined. The difference of change in Fuel cost components has now been requested by KE as previous adjustment and the same is worked out as Rs.453 million for the month of May, June & July 2022.
35. The Authority has considered to allow the same as part of the instant quarterly decision.
36. Following is the working of the aforementioned amount:

	May-22	Jun-22	Jul-22	Total
Units Generated	558,422	39,099,000	35,266,000	
Revised Rate	23.28	23.28	23.28	
	13,000,846	910,279,459	821,081,852	1,744,322,157
Amount Already Allowed	9,621,946	673,699,229	607,654,340	1,290,975,515
	3,378,900	236,580,229	213,387,513	453,346,642

Lotte Chemical

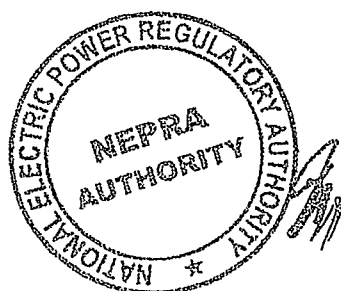
37. For the energy purchased from Lotte Chemical during the quarter, K-Electric has claimed an amount of Rs.13.91 million for all EPP (excluding Fuel) and CPP. The same being in line with the Authority's determined tariff has been considered.

Lucky Cement

38. For the energy purchased from Lucky Cement during the quarter, K-Electric has claimed an amount of Rs.1.67 million for EPP (excluding Fuel) and CPP for the instant quarter. The same being in line with the Authority's determined tariff has been considered in the instant quarterly adjustment.

Gharo Solar

39. For the energy purchased from Gharo Solar, K-Electric has claimed an amount of Rs.269.64 million for EPP (excluding Fuel) and CPP. The same has been allowed as Rs.269.62 million, in line with the Authority's determined tariff and included in the instant adjustment decision.



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III. & ISL

40. For the energy purchased from IIL & ISL, K-Electric has claimed an amount of Rs.31.10 million for EPP (excluding Fuel) and CPP for the instant quarter. The same being in line with the Authority's determined tariff has been considered.

Previous Adjustment of BQPS-I Fuel Charges

41. The Authority deducted fuel cost from BQPS-I for the period from June 2021 to August 2021, owing to non-commissioning of BQPS-III power plant as per the given time line, based on the LPM decision of KE dated 15.09.2021. K-Electric against the same filed appeal before NEPRA Appellate Tribunal. The tribunal has set aside NEPRA's decision and directed NEPRA to re-determine the matter. KE based on the NEPRA Appellate Tribunal decision has requested the amount of Rs. 1,425 million so deducted as part of previous adjustment in the instant quarterly adjustment. KE further submitted that the decision is set aside and remanded to NEPRA for its decision afresh, hence cost deducted is requested to be allowed by KE.
42. The matter referred by NEPRA Appellate Tribunal is under consideration of the Authority and hearing in the matter has been conducted on 25.01.2023. The request of K-Electric will be considered once the decision in the matter of LMP of KE is finalized by the Authority, in light of decision of NEPRA Appellate Tribunal. Therefore, for the purpose of instant adjustment request, the Authority has decided not to allow the cost of Rs.1,425 million.

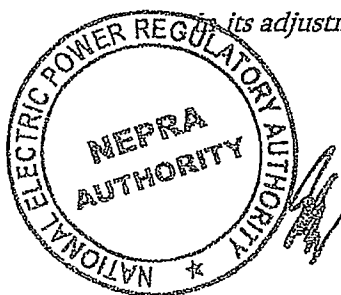
Previous Adjustment of KCCP Heat Rate

43. K-Electric has requested a previous adjustment of Rs.167 million on account of KCCP heat rate impact from July 2020 to June 2022 as per NEPRA's decision dated August 04, 2022 relating to cost of RLNG, Gas & HSD.
44. The same has been considered by the Authority and is allowed as part of previous adjustment. Accordingly, the amount of Rs.167 million on account of revision of KCCP Heat Rate for RLNG/Gas & HSD for the period from July 2020 to June 2022 has been included in the instant adjustment request.

Previous Adjustment of KANUPP

45. KE in its claim has also requested an amount of Rs.1,355 million under the head of impact of netting off of sales to & purchases from KANUPP on the pretext that same is inconsistent with the MYT determination. KE in this regard has submitted that within the MYT, for unit sent outs and T&D assumptions, sales to KANUPP was not netted off with purchases from KANUPP and was part of the projected units billed, used to develop the initial Schedule of Tariff (SoT), including category wise tariff rates annexed with NEPRA's MYT decision dated July 05, 2018.
46. The Authority in the decision dated December 31, 2019 in the matter of KE Quarterly adjustments of KE for the period from July 2016 to March 2019, decided as under;

*"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-out basis. K-Electric, however, its adjustment claims has included cost of energy purchased from KANUPP on gross basis i.e.*



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without netting it off for the energy exported to KANUP. The Authority, therefore, in line with clause 6.01 of the Agreement, has adjusted an amount of Rs.110 million from the cost of KANUP Plant (other than fuel), claimed by K-Electric in its adjustment requests."

47. The Authority in the decision dated December 27, 2019 in the matter of KE Monthly FCAs decided as under;

"Regarding KANUPP, the Authority observed that as per Clause 6, Billing and Payments, sub clause 6.01 of the PPA executed by K-Electric with KANUPP, for the energy supplied / purchased by KANUPP of KESC, as the case may be, bills shall be raised separately, but payment shall be made on net-out basis. K-Electric, however, in its adjustment claims has included cost of energy purchased from KANUPP on gross basis which is without netting it off for the energy exported to KANUPP. The Authority therefore in line with clause 6.01 of the agreement has adjusted an amount of Rs.1,119 million from the fuel cost of KANUPP claimed by K-Electric in its adjustment request."

48. The Authority further in its decision dated March 10, 2021 regarding quarterly adjustments of KE for the period April to March 2020, decided as under;

Para 29 "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 KANUP, for the energy supplied / purchased by KANUPP of KESC case may be, bills shall be raised separately, but payment shall be made on net-out basis. K-Electric, however, in its adjustment claims has included cost of energy purchased from KANUP on gross basis i.e. without netting it off for the energy exported to KANUP. 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."

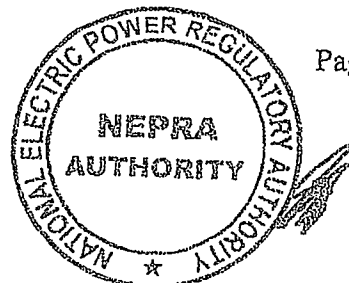
Para 66 ".....In view thereof, the Authority has decided to allow the previously deducted amount in this regard for the period from July 2016 till June 2019, on net output basis i.e. adjusting the amount of sales to KANUPP against the cost of purchases and also adjusting the units sold against units purchased. The amount thus works out as Rs.1,211.59 million, which has been included in the instant quarterly adjustment of K-Electric. The Authority understands that by adjusting the energy supplied / purchased by KANUPP on net-out basis, addresses the concerns of K-Electric regarding grossing up of tariff for impact of KANUPP."

49. The Authority considered the submissions of KE and noted that KE has failed to justify its submissions therefore the request of KE is not acceded to and the amount of Rs.1,355 million requested by KE as previous costs for KANUPP is disallowed.

Previous Adjustment already allowed on account of WPPF of K-Electric

50. 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.

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Adjustment for Negative / Positive FCA for certain Consumer Categories

51. 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.
52. 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.
53. K-Electric in its quarterly adjustment has requested an amount of negative Rs.4,334 million on account of positive/negative FCA not recovered/passed on to the consumers during the instant quarter. The amount being claimed by K-Electric is in line with the decision of the Authority and accordingly has been considered. The reason for this adjustment being that during the period July to September 2022, the FCAs allowed to K-Electric remained negative.

LDs on Anoud Power Plant due to Non-Supply of Minimum Guaranteed Monthly Units

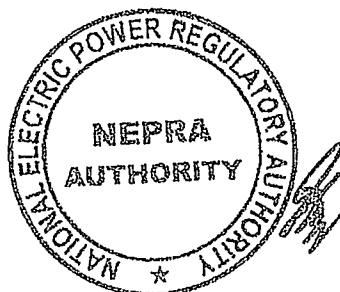
54. Here it is pertinent to mention that Anoud Power Generation Ltd. (APGL) supplied energy to KE till Sep. 2020 and thereafter no energy has been delivered. As per Clause 1.5 of the 1st addendum dated 27.04.2010 to the PPA between KE and APGL, in case APGL supplies less than the minimum monthly guaranteed units of 5,040,000 kWh to KE, KE shall be entitled to make certain deductions at the end of billing month in the billing amount. Pursuant thereto, KE levied a penalty of Rs.27.34 million on Anoud Power due to non-supply of minimum monthly energy till February 2021. However no LD has been charged thereafter. 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;*

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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."

55. Upon inquiry, K-Electric provided the following working for the LD amounts for the period from March 2021 till February 2023;

Anoud Penalty Working  
For the period Mar-21 to Feb-23

Period	Energy Short Delivered (5.04 GWh per month)	Penalty Rate	Penalty Amount
	GWh	PKR/kWh	Mn
Mar-21 to April-21	10.08	2.7126	27.34
May-21 to Apr-22	60.48	2.7648	167.22
May-22 to Feb-23	50.40	3.1887	160.71
			355.27

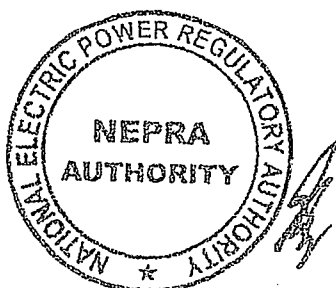
Tariff Components	2020-21	2021-22	2022-23
Variable cost	0.2838	0.2980	0.3129
Stores Spares**	0.9132	0.9101	1.1529
Other costs	0.4744	0.4981	0.5230
Total O&M*	1.6714	1.7062	1.9888
FC & ROI	0.1370	0.1370	0.1370
	1.8084	1.8432	2.1258

Penalty Factor	1.5	1.5	1.5
Penalty Rate	2.7126	2.7648	3.1887

\* O&M cost is escalated at 5% per annum as per Table 1 of PPA.

\*\* Stores & spares is also adjusted for increase / decrease in Rs. / USD rate.

56. The Authority observed that in line with Clause 1.5 of the 1<sup>st</sup> addendum to the PPA between KE and APGL dated 27.04.2010, in case APGL supplies less than the minimum monthly guaranteed units of 5,040,000 kWh to KE, KE shall be entitled to make certain deductions at the end of billing month in the billing amount. Based on the above discussion, and the workings submitted by K-Electric, the Authority has decided to deduct an amount of Rs.274.91 million on account of LDs owing to non-supply of minimum guaranteed energy by Anoud Power to K-Electric for the period from March 2021 to Sep. 2021, from the instant adjustment of K-Electric.

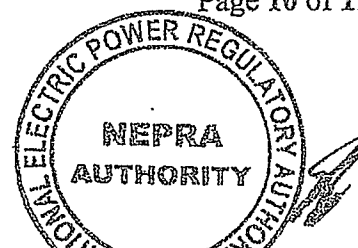


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57. K-Electric initially requested the quarterly adjustment based on the projected units to be sold in the next quarter of 3,567 GWh. However, subsequently, KE revised the quarterly adjustment based on actual sent out units for the months of Oct – Dec 2022, which after adjusting for allowed losses works out as 3,625 GWh. Accordingly the same have been used in the calculation of instant Quarterly Adjustment.
58. 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 September 2022.

Description	Quarter ending Sep-22	Quarter ending Sep-21	Quarter ending Sep-20
<b>Adjustment in SOT for Own Generation</b>	Rs./kWh		(9,210)
FCC of Own Generation	Rs./kWh	14.9475	
FCC adjusted on Target T&D Losses	Rs./kWh	17.6601	
Reference Own Generation FCC adjusted on Target T&D Losses	Rs./kWh	21.7223	
Required adjustment in SOT of Own Generation to level up the tariff	Rs./kWh	(4,0622)	
<b>Power Purchases</b>			
Fuel Cost	Rs./kWh	7.9114	
FCC adjusted on Target T&D Losses	Rs./kWh	9.3471	
Reference Power Purchase FCC adjusted on Target T&D Losses	Rs./kWh	11.3412	
Required adjustment in SOT of Power Purchase FCC to level up the tariff	Rs./kWh	(1,9941)	
Variable O&M and Capacity	Rs./kWh	3.61376	
Variable O&M and Capacity adjusted on Target T&D Losses	Rs./kWh	4.26957	
Reference Power Purchase Variable O&M and Capacity based on Target T&D Losses	Rs./kWh	4.02782	
Required adjustment in SOT of Power Purchase Variable O&M and Capacity to level up the tariff	Rs./kWh	0.2417	
<b>Total Adjustment in SOT to level up the tariff</b>	Rs./kWh	(2,684.55)	
<b>Cost of BQPS-I Unit 3 &amp; 4</b>			
<b>Impact of Variation in Fuel cost to the extent of T&amp;D losses</b>			
<b>Own Generation</b>			
Monthly Approved FCA	Rs./kWh	(2,0547)	(3,5691)
Total Units Sent Out	Gwh	1,798	1,714
Allowed Level of T&D losses	%	15.36%	15.36%
Impact of Losses on FCA for Own Generation	Rs./Mln	(567.43)	(935.67)
Total impact of Losses FCA			(884.45)
<b>Power Purchases</b>			
Fuel Cost			
Monthly Approved FCA	Rs./kWh	(2,0624)	(1,3171)
Total Units Sent Out	Gwh	1,798	1,714
Allowed Level of T&D losses	%	15.36%	15.36%
Impact of Losses on FCA for Power Purchases	Rs./Mln	(570)	(347)
Total impact of Losses on FCA	Rs./Mln		(1,350)
G. Total	Rs./Mln		(3,742)
<b>Impact of Variation in Variable O&amp;M and Capacity</b>	Rs./Mln	(569.67)	617.46
Total impact of Variable O&M and Capacity	Rs./Mln		390
<b>Net Impact of Life Line, 300 units &amp; Agriculture units</b>	Rs./Mln		(4,334)
<b>Total Un-Recovered Cost of the Quarter</b>	Rs./Mln		(7,686.00)
WWF	Rs./Mln	-	-
WPPF	Rs./Mln	-	-
Previous Adjustment	Rs./Mln	-	526.78
Write Off	Rs./Mln	-	-
LDs	Rs./Mln	-	-
Units Sold during Next Quarter on allowed T&D Losses	GWh		3,625
<b>Adjustment for the Quarter</b>	Rs./kWh		(1,975.0)
Reversal of Previous Quarter	Rs./kWh		(1,3314)
<b>Net Adjustment for the Quarter</b>	Rs./kWh		(6,306.9)



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59. 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

*Mathar Niaz Rana*

Mathar Niaz Rana (nsc)  
Member

⑦

*Opinion mentioned below*

*Rafique Ahmed Shaikh*  
Rafique Ahmed Shaikh  
Member

*Engr. Maqsood Anwar Khan*

Engr. Maqsood Anwar Khan  
Member

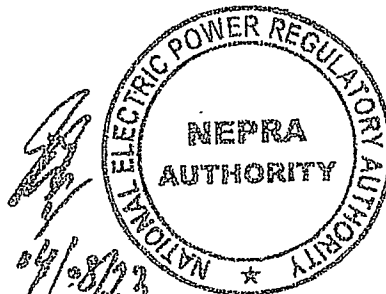
*Ms. Amina Ahmed*

Ms. Amina Ahmed  
Member

*Tauseef H. Farooq*  
Tauseef H. Farooq  
Chairman

⑧ With reference to Para 49 of the decision, I am of the considered opinion that "third party audit" should have been carried out before adjustment of the Kenapp cost

*Rafique*  
02/08/23



# SCHEDULE OF ELECTRICITY TARIFFS FOR ELECTRIC LIMITED

APPLICABLE TO THE TARIFFS FROM 01-01-2022 TO 31-12-2022

Protected

Unprotected

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh		Quarterly Adjustment Rs/kWh	TOTAL VARIABLE CHARGES Rs/kWh	
a)	For Sanctioned load less than 5 kW	-	4.00			4.00	
i	Up to 50 Units - Life Line	-	39.67		(9.14)	30.53	
ii	51 - 100 Units - Life Line	-	39.67		(9.14)	30.53	
iii	001 - 100 Units	-	41.26		(9.14)	32.12	
iv	101 - 200 Units	-	39.67		(9.14)	30.53	
v	001 - 100 Units	-	41.26		(9.14)	32.12	
vi	101 - 200 Units	-	42.47		(9.14)	33.33	
vii	201 - 300 Units	-	43.52		(9.14)	34.38	
viii	301 - 400 Units	-	43.52		(9.14)	34.38	
ix	401 - 500 Units	-	43.52		(9.14)	34.38	
x	501 - 600 Units	-	43.52		(9.14)	34.38	
xi	601 - 700 Units	-	43.52		(9.14)	34.38	
xii	Above 700 Units	-	45.87		(9.14)	36.73	
b)	For Sanctioned load 5 kW & above	-	Peak	Off-Peak	Peak	Off-Peak	
	Time Of Use	-	47.08	42.90	(9.14)	(9.14)	33.76

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;

b) Three Phase Connections;

## A-2 GENERAL SUPPLY TARIFF - COMMERCIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES		Quarterly Adjustment		TOTAL VARIABLE CHARGES	
			Rs/kWh		Rs/kWh		Rs/kWh	
a)	For Sanctioned load less than 5 kW	500.00	43.83		(9.14)		34.69	
b)	For Sanctioned load 5 kW & above		43.06		(9.14)		33.92	
c)	Time Of Use	500.00	Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
d)	Electric Vehicle Charging Station		47.07	42.84	(9.14)	(9.14)	37.93	33.70
				42.94	(9.14)			33.70

Under tariff A-2(a), 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

Fixed Charges shall be billed based on 50% of Sanctioned Load or Actual MDI for the month which ever is higher. In such case there would be no minimum monthly charges even if no energy is consumed.

## 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	-	44.02	(9.14)	34.88	

Under tariff A-3, there shall be minimum monthly charges at the following rates even if no energy is consumed.

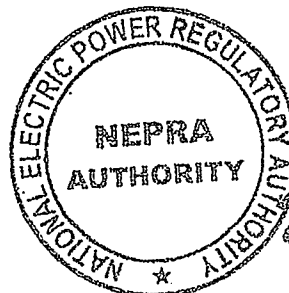
a) Single Phase Connections;

b) Three Phase Connections;

## A-4 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			
B1	Upto 25 kW (at 400/230 Volts)	-	44.07	(9.14)	34.93			
B2(a)	25-500 kW (at 400 Volts)	500.00	43.22	(9.14)	34.08			
B3(a)	For all loads upto 5000 kW (at 11,33 kV)	460.00	43.07	(9.14)	33.93			
B4(a)	For all loads upto 5000 kW (at 66,132 kV)	440.00	42.57	(9.14)	33.43			
Time Of Use			Peak	Off-Peak	Peak	Off-Peak		
B1(b)	Upto 25 kW (at 400/230 Volts)	-	47.07	43.07	(9.14)	(9.14)	37.93	33.93
B2(b)	25-500 kW (at 400 Volts)	500.00	47.07	42.57	(9.14)	(9.14)	37.93	33.43
B3(b)	For All Loads up to 5000 kW (at 11,33 kV)	460.00	47.07	42.07	(9.14)	(9.14)	37.93	32.93
B4(b)	For All Loads (at 66,132 kV & above)	440.00	47.07	41.82	(9.14)	(9.14)	37.93	32.68
B5	For All Loads (at 220 kV & above)	340.00	47.07	41.07	(9.14)	(9.14)	37.93	31.93

For B1 & B1 (b) consumers there shall be a fixed minimum charge of Rs. 350 per month. month which ever is higher. In such case there would be no minimum monthly charges even if no energy is consumed.



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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	
C-1	For supply at 400/230 Volts	-	44.07	(9.14)		34.93
a)	Sanctioned load less than 5 kW	500.00	43.07	(9.14)		33.93
b)	Sanctioned load 5 kW & up to 500 kW	450.00	43.07	(9.14)		33.93
C-2(a)	For supply at 11,33 kV up to and including 5000 kW	440.00	42.57	(9.14)		33.43
C-3(a)	For supply at 132 and above, up to and including 5000 kW		Peak	Off-Peak	Peak	Off-Peak
	Time Of Use	500.00	47.07	42.57	(9.14)	37.93
C-1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	460.00	47.07	42.07	(9.14)	37.93
C-4(b)	For supply at 11,33 kV up to and including 5000 kW	440.00	47.07	41.32	(9.14)	37.93
C-3(b)	For supply at 132 kV up to and including 5000 kW					

Fixed Charges shall be billed based on 50% of Sanctioned Load or Actual MDI for the month which ever is higher.

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	
D-1	For all Loads	200.00	41.79	(9.14)		32.65
	Time of Use	200.00	Peak	Off-Peak	Peak	Off-Peak
D-2	For all Loads		47.07	41.37	(9.14)	37.93

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

INDUSTRIAL SUPPLY TARIFF						
Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	Quarterly Adjustment Rs/kWh	TOTAL VARIABLE CHARGES Rs/kWh	
E-1(i)	Residential Supply	-	44.57	(9.14)		35.43
E-1(ii)	Commercial Supply	-	45.17	(9.14)		36.03
E-2 (i)	Industrial Supply	-	45.62	(9.14)		36.48
E-2 (ii)	Bulk Supply	-	45.57	(9.14)		36.43
	(a) at 400 Volts	-	45.55	(9.14)		36.41
	(b) at 11 kV	-				

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.

#### SEASONAL INDUSTRIAL SUPPLY TARIFF

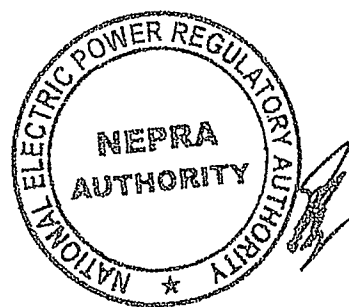
125% of relevant industrial tariff

Note: Tariff 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.

STREET LIGHTING TARIFF						
Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	Quarterly Adjustment Rs/kWh	TOTAL VARIABLE CHARGES Rs/kWh	
	Street Lighting	-	44.47	(9.14)		35.33

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

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	
	Residential Colonies attached to industrial premises	-	44.57	(9.14)		35.43





REGISTRAR

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

NEPRA Tower, G-5/1 (East), Near MNA Hostel, Islamabad

Phone: 9206500, Fax: 2600026

Website: [www.nepra.org.pk](http://www.nepra.org.pk), Email: [info@nepra.org.pk](mailto:info@nepra.org.pk)

No. NEPRA/TRF-100/Notifications/5623-25

April 26, 2024

The Manager  
Printing Corporation of Pakistan Press  
Shahrah-e-Suharwardi,  
Islamabad


Subject: **NOTIFICATION REGARDING DECISIONS OF THE AUTHORITY**

In pursuance of Proviso (ii) to Sub-Section 7 of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), enclosed please find herewith the following three (03) Decisions of the Authority as per following detail for immediate publication in the official Gazette of Pakistan:

S. No.	Decision	Issuance No. and Date
1.	Decision of the Authority in the matter of Quarterly Adjustment of K-Electric Limited for the quarters ending September 2022	20658-20662 04-08-2023
2.	Decision of the Authority in the matter of Quarterly Adjustment of K-Electric Limited for the quarters ending December 2022	20652-20656 04-08-2023
3.	Decision of the Authority in the matter of Quarterly Adjustment of K-Electric Limited for the quarters ending March 2023	15-19 01-01-2024

2. Please also furnish thirty five (35) copies of the Notifications to this Office after its publication.

Encl: 03 Notifications

  
(Engr. Mazhar Iqbal Ranjha)

CC:

1. Chief Executive Officer, Central Power Purchasing Agency (Guarantee) Limited, 73 East, AK Fazl-e-Haq Road, Block H, G-7/2, Blue Area, Islamabad
2. Syed Mateen Ahmed, Section Officer (T&S), Ministry of Energy – Power Division, 'A' Block, Pak Secretariat, Islamabad

