

**THE KARACHI ELECTRIC SUPPLY COMPANY LTD.**

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Ref. No.CMF/NEPRA/071/~~685~~
Dated: April 27, 2011

The Registrar
National Electric Power Regulatory Authority
2ND Floor, OPF Building, G-5/2
Islamabad

Dear Sir

Subject: **ADJUSTMENT IN KESCL SCHEDULE OF TARIFF ON ACCOUNT OF FUEL PRICE AND POWER PURCHASE COST VARIATION FOR QUARTER ENDED MARCH 2011.**

With reference to the Authority's determination on KESCL on account of fuel price and power purchase cost variation, the required adjustment in KESC's tariff for the quarter ended March 2011 is as under:

1. **Required Adjustment in Schedule of Tariff for the Quarter ended March 2011**

- 1.1. As per the tariff adjustment mechanism applicable, the cost for the period Jan-Mar 2011 has increased by Ps 185.142/kWh which needs to be adjusted in KESC's schedule of tariff. The table below gives the breakup of the required adjustment on units sold basis (taking into account the effect of T&D loss).

DESCRIPTION	March 2011 (Over December 2010)
	Ps/kWh
Fuel Price Variation	65.486
Power Purchase Price Variation	119.656
Total Variation in Tariff	185.142

1.2. Unrecovered Cost:

The Authority in its determination dated 23rd December 2009 specified that the quarterly adjustment in schedule of tariff shall take care of;

- Monthly variation in the O&M cost and capacity charges for the power purchased from IPPs and other external sources; and
- Any un-recovered cost of fuel, due to non-adjustment of T&D losses in the monthly fuel price adjustment already allowed by Authority for recovery by KESCL through monthly bills of consumers.

1.2.1. The company, in its request for quarterly tariff adjustment for the period Oct – Dec 10 had claimed an amount of Rs 107.12 million as payment towards the WWF and WPPF for Tapal and Gul Ahmed Energy Limited. It was also explained that these payments have been made in light of the approved PPAs by the Authority. The relevant clauses are detailed below;

Clause 14.1 of Schedule VI of the PPA specifies that the items specified therein shall be payable by KESC to the Company (Tapal/ Gul Ahmed Energy Limited) on the basis of actual costs incurred by the Company. Clause 14.2 of Schedule VI specifies a list of pass through items which shall be invoiced as supplemental charges by the Company (Tapal/ Gul Ahmed Energy Limited) to KESC, 14.2(a) being the payments made into the Workers' Welfare Fund and Workers' Profit Participation Fund.

The supplemental charges are defined as part of the tariff as per the approved PPAs and therefore these form the part of the cost of power purchase.

During the quarter ended March 2011, the utility has made an additional payment of Rs 149.725 million on account of WWF and WPPF of Tapal and Gul Ahmed Energy Limited. Thus this makes a total sum of Rs 256.850 million unrecovered on this account.

The tariff structure prior to the tariff determination dated 23rd December, 2009 had a different cost recovery structure. The determination dated 23rd December, 2009 under clause 9 of its Annexure B, reproduced below, allows for the recovery of all the payments made to the IPPs.

"The fixed part/ component of the power purchase cost along with the variable O&M cost component of the IPPs as well as the wheeling charge of NTDC shall be adjusted on a quarterly basis."

It is worth mentioning here that the total cost of power purchase by the CPPA from IPPs is accounted for in the determination of average rate of units sold to all DISCOs (including KESC), except for interest on delayed payment. CPPA pays the WPPF, WWF e.t.c. to IPPs as per the terms of the contract (Agreement) and accordingly the same is included in the cost while working out the sale price to DISCOs by NEPRA.

Thus in the light of Authority's determination, costs allowed to be recovered and costs allowed to CPPA, it is requested that the company should be allowed to recover these costs as a recoverable cost.

1.2.2. The company has paid Rs 108.853 million and Rs 69.032 as million mobilization advance and customs duty payment respectively to Aggreek. The mobilization advance was being amortized over the rental term of 24 months which has expired in March 2011. Thus the entire amount of Rs 108.853 million has been taken part of the unrecovered cost for the quarter ended March 2011. The customs duty payment was made for the import of the plant.

The mobilization advance and customs duty payment to Aggreek are allowed as per clause 3.1.b.i and 11.a. respectively of the rental contract. In light of the costs allowed to be recovered under the tariff determination dated 23rd December, 2009, it is requested that these costs should be allowed in KESC's tariff.

Based on the approved mechanism and the details mentioned above, the unrecovered cost for the period January to March 2011 is as follows:

Unrecovered Cost for the period January 2011 to March 2011	Amount (Mill Rs)
Variation in O&M cost of IPPs and other sources (Para 1.2.a)	178.224
Variation in Capacity charges of IPPs and other sources (Para 1.2.a)	(155.617)
Unrecovered cost due to non-adjustment of T&D losses in the monthly FSA (Para 1.2.b)	727.352
Unrecovered cost from October 2010 to December 2010	54.051
WWF and WPPF payment of Tapal and Gul Ahmed Energy (Para 1.2.1)	256.850
Amortization of Mobilization Advance Payment to Aggreekko (Mar 09 – Feb 11) (Para 1.2.2)	108.853
Customs Duty Payment and Currency Adjustment of Aggreekko (Para 1.2.2)	69.111
Total Unrecovered Cost for Jan – Mar 11	1,238.824
Estimated Units to be sold @23% T&D loss in the next quarter (GwH)	2,370
Required Adjustment in KESC's Tariff (Ps/kWh)	52.278

2. In view of the above, the overall cumulative increase in the KESC's tariff on account of fuel price, power purchase cost for the quarter 31st March, 2010 works out to be as follows:

Total Required Adjustment in KESC's Tariff	Ps/kWh
Required Adjustment in KESC's tariff	185.142
Unrecovered Cost for Jan – Mar 11	52.278
Sub Total	237.420
Unrecovered Cost for Oct – Dec 10	(13.240)
Total Required Adjustment in KESC Tariff	224.180

The requisite data on the captioned subject has been enclosed for your reference. It is requested that the required adjustment in tariff may be allowed for the quarter ended 31st March, 2011.

Best Regards



Abdul Rauf Yousuf
Director (RA & SP)

Copy to:
Secretary, M/o Water and Power, Islamabad
Mr. Sajjad Muhammad Qureshi, Director Tariff, NEPRA, Islamabad

K. E. S. C. LTD

SUMMARY OF REQUIRED ADJUSTMENT ON ACCOUNT OF VARIATION IN COST OF FUEL AND POWER PURCHASES

DESCRIPTION	Jan-11	Feb-11	Mar-11	Jan-Mar 2011

1 REQUIRED ADJUSTMENT IN TARIFF (FSA) ON UNITS SOLD BASIS

a.	Monthly Variation in	Mill Rs.	(176.483)	66.794	611.239	501.550
	i Fuel Price	Mill Rs.	1,064.643	501.961	1,116.851	2,683.455
	ii Power Purchase Price	Mill Rs.	888.16	568.76	1,728.09	3,185.01
	iii Total Monthly Variation (i + ii) - Over Reference Tariff	Mill kWh	723.71	712.57	933.39	2,369.67
b.	Units Sold at 23% T&D losses	Mill kWh				
		Ps/kWh				
		(24.386)	9.374	65.486		
		147.110	70.444	119.656		
2 a.	Monthly Variation in	Ps/kWh	122.724	79.817	185.142	
	i Fuel Price (1ai/1b)	Ps/kWh	888.16	568.76	1,728.09	3,185.01
	ii Power Purchase Price (1aii/1b)	Ps/kWh				
b.	Monthly increase/decrease to be passed to Consumers (i+ii)	Ps/kWh				
c.	Increase/ Decrease in Revenue due to FSA	Mill Rs.				

1 MONTHLY ALLOWABLE ADJUSTMENT ON UNITS SENT OUT BASIS

a.	Monthly Variation in	Mill Rs.	(176.483)	66.794	611.239	501.550
	i Fuel Price	Mill Rs.	974.353	419.609	1,266.889	2,660.851
	ii Power Purchase Price - Fuel component	Mill Rs.	797.870	486.403	1,878.128	3,162.401
	iii Total Monthly Variation (i + ii) - Over Reference Tariff	Mill Rs.	939.878	925.419	1,212.190	3,077.487
b.	Units Sent Out	Mill kWh				
		Ps/kWh				
		(18.777)	7.218	50.424		
		103.668	45.343	104.512		
2 a.	Monthly Variation in FSA - due to	Ps/kWh	84.891	52.560	154.937	
	i Fuel Price	Ps/kWh	723.706	712.573	933.386	2,369.665
	ii Power Purchase Price - Fuel component	Ps/kWh				
b.	Monthly increase/decrease to be passed to Consumers (i+ii)	Ps/kWh				
c.	Units Sold at 23% T&D losses	Mill kWh				
d.	Increase/ Decrease in Revenue due to FSA	Mill Rs.	614.360	374.530	1,446.159	2,435.049
3	MONTHLY SHORTFALL/(SURPLUS) IN REVENUE (1aiii -2d)	Mill Rs.	183.510	111.873	431.969	727.352

1 QUARTERLY ALLOWABLE ADJUSTMENT ON UNITS SOLD BASIS - UNRECOVERED COST

a.	Monthly Variation in	Mill Rs.	(176.483)	66.794	611.239	501.550
	Fuel Price	Mill Rs.	1,064.643	501.961	1,116.851	2,683.455
	ii Power Purchase Price - Fuel component	Mill Rs.	888.160	568.755	1,728.090	3,185.005
	iii Total Monthly Variation (i + ii) - Over Reference Tariff	Mill Rs.				
b.	Passed on to consumers in monthly FSA	Mill Rs.	614.360	374.530	1,446.159	2,435.049
c.	Other Unrecovered Cost	Mill Rs.				434.814
d.	Balance to be adjusted in SOT	Mill Rs.	273.799	194.225	281.932	1,238.821
e.	Estimated units sold Apr 2011 - May 2011	Mill kWh				2,369.665
f.	Required Adjustment in Tariff for Unrecovered Costs	Ps/kWh				52.278

Work Sheet- Fuel Price Variation

DESCRIPTION	Dec-10	Jan-11	Feb-11	Mar-11	Jan-Mar 11
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1 UNITS SENT OUT - KESC

1a UNITS SENT OUT ON GAS

- i Bin Qasim
- ii Korangi Thermal
- iii Korangi Gas 1
- iv Korangi Gas 2
- v Site Gas 1
- vi Site Gas 2
- vii Korangi combined
- viii Total (i to vii)

Mill kWh	99,652	136,307	124,472	199,488	460,267
Mill kWh	(0,336)	(0,334)	(0,347)	6,098	5,418
Mill kWh	-	-	-	-	-
Mill kWh	47,854	39,415	44,394	53,011	136,819
Mill kWh	-	-	-	-	-
Mill kWh	41,044	15,951	23,335	47,345	86,630
Mill kWh	74,758	75,556	69,440	57,929	202,925
Mill kWh	262,972	266,894	261,293	363,870	892,056

1b UNITS SENT OUT ON F. OIL

- Bin Qasim
- Korangi Thermal
- Korangi Gas 1
- Korangi Gas 2
- Site Gas 1
- Site Gas 2
- Korangi combined
- Total (i to viii)

Mill kWh	101,438	84,285	107,712	199,987	391,984
Mill kWh					-
Mill kWh					-
Mill kWh					-
Mill kWh					-
Mill kWh					-
Mill kWh					-
Mill kWh	101,438	84,285	107,712	199,987	391,984
	28%	24%	29%		31%

1c TOTAL UNITS SENT OUT (1 + 2)

- Bin Qasim
- Korangi Thermal
- Korangi Gas 1
- Korangi Gas 2
- Site Gas 1
- Site Gas 2
- Korangi combined
- Total (i to viii)

Mill kWh	201,090	220,592	232,184	399,475	852,251
Mill kWh	(0,336)	(0,334)	(0,347)	6,098	5,418
Mill kWh	-	-	-	-	-
Mill kWh	47,854	39,415	44,394	53,011	136,819
Mill kWh	-	-	-	-	-
Mill kWh	41,044	15,951	23,335	47,345	86,630
Mill kWh	74,758	75,556	69,440	57,929	202,925
Mill kWh	364,410	351,180	369,005	563,857	1,284,041

2 HEAT RATE AT BUS BAR

2a Heat Rate of GAS - of item 1

- Bin Qasim
- Korangi Thermal
- Korangi Gas 1
- Korangi Gas 2
- Site Gas 1
- Site Gas 2
- Korangi combined

Btu/kWh	10,650	10,650	10,650	10,650
Btu/kWh	13,738	13,738	13,738	13,738
Btu/kWh	17,039	17,039	17,039	17,039
Btu/kWh	9,500	9,500	9,500	9,500
Btu/kWh	17,039	17,039	17,039	17,039
Btu/kWh	9,500	9,500	9,500	9,500
Btu/kWh	9,110	9,110	9,110	9,110

2b CONVERSION FACTOR F. OIL - of item 2

- Bin Qasim
- Korangi Thermal

Kg/kWh	0.264	0.264	0.264	0.264
Kg/kWh	0.340	0.340	0.340	0.340

460,991 282,914

3 FUEL PRICES

- a. Fuel Prices - Gas (Rs/MMBTu)
- b. Fuel Price -F.O (Rs/Kg)

Rs/MMBTu	393.79	393.79	393.80	393.79
Rs/Kg	44,781	46,102	49,654	56,579

4 COST OF FUEL

4a COST OF GAS

- Bin Qasim
- Korangi Thermal
- Korangi Gas 1
- Korangi Gas 2
- Site Gas 1
- Site Gas 2
- Korangi combined
- Total (i to vii)

Mill Rs	417,927	571,654	522,019	836,623
Mill Rs	(1,818)	(1,805)	(1,877)	32,992
Mill Rs	-	-	-	-
Mill Rs	179,022	147,450	166,078	198,312
Mill Rs	-	-	-	-
Mill Rs	153,546	59,671	87,293	177,116
Mill Rs	268,189	271,052	249,111	207,814
Mill Rs	1,016,866	1,048,022	1,022,623	1,452,856

4b COST OF FURNACE OIL

- Bin Qasim
- Korangi Thermal
- Korangi Gas 1
- Korangi Gas 2
- Site Gas 1
- Site Gas 2
- Korangi combined
- Total (i to viii)

Mill Rs	1,199,210	1,025,835	1,411,965	2,987,169
Mill Rs	-	-	-	-
Mill Rs	-	-	-	-
Mill Rs	-	-	-	-
Mill Rs	-	-	-	-
Mill Rs	-	-	-	-
Mill Rs	-	-	-	-
Mill Rs	1,199,210	1,025,835	1,411,965	2,987,169

4c TOTAL COST OF FUEL

- Bin Qasim
- Korangi Thermal
- Korangi Gas 1
- Korangi Gas 2
- Site Gas 1
- Site Gas 2
- Korangi combined
- Total

Mill Rs	1,617,137	1,597,489	1,933,984	3,823,792
Mill Rs	(1,818)	(1,806)	(1,877)	32,992
Mill Rs	-	-	-	-
Mill Rs	179,022	147,450	166,078	198,312
Mill Rs	-	-	-	-
Mill Rs	153,546	59,671	87,293	177,116
Mill Rs	268,189	271,052	249,111	207,814
Mill Rs	2,216,076	2,073,858	2,434,588	4,440,026

Work Sheet- Fuel Price Variation

DESCRIPTION	Dec-10	Jan-11	Feb-11	Mar-11	Jan-Mar 11
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5 COST OF FUEL PER KWH

a Bin Qasim	Rs/kWh	8.042	7.242	8.330	9.572	
b Korangi Thermal	Rs/kWh	5.416	5.410	5.416	5.410	
c Korangi Gas 1	Rs/kWh	6.710	6.710	6.710	6.710	
d Korangi Gas 2	Rs/kWh	3.741	3.741	3.741	3.741	
e Site Gas 1	Rs/kWh	-	-	-	-	
f Site Gas 2	Rs/kWh	3.741	3.741	3.741	3.741	
g Korangi combined	Rs/kWh	3.587	3.587	3.587	3.587	

6 INCREASE/DECREASE IN COST OF FUEL PER KWH

a Bin Qasim	Rs/kWh	1.140	(0.800)	0.288	1.530	
b Korangi Thermal	Rs/kWh	0.000	0.000	(0.000)	(0.006)	
c Korangi Gas 1	Rs/kWh	-	0.000	0.000	0.000	
d Korangi Gas 2	Rs/kWh	0.000	(0.000)	0.000	(0.000)	
e Site Gas 1	Rs/kWh	-	-	-	-	
f Site Gas 2	Rs/kWh	(0.197)	0.000	(0.000)	(0.000)	
g Korangi combined	Rs/kWh	0.000	(0.000)	0.000	(0.000)	

7 INCREASE / DERCREESE IN FUEL COST OVER PREVIOUS MONTH

a Bin Qasim	Mill Rs	229.155	(176.483)	66.793	611.276	
b Korangi Thermal	Mill Rs	(0.000)	(0.000)	0.000	(0.037)	
c Korangi Gas 1	Mill Rs	-	-	-	-	
d Korangi Gas 2	Mill Rs	(0.000)	(0.000)	0.000	-	
e Site Gas 1	Mill Rs	-	-	-	-	
f Site Gas 2	Mill Rs	(8.081)	0.000	(0.000)	-	
g Korangi combined	Mill Rs	(0.000)	(0.000)	0.000	-	
h Total (a to g)	Mill Rs	221.074	(176.483)	66.794	611.239	

8 INCREASE / DERCREESE IN TARIFF

TO BE PASSED IN THE MONTHLY BILLS

a Fuel price variation (item 7-h)	Mill Rs	221.074	(176.483)	66.794	611.239	501.550
b Units Sent Out - KESC	Mill kWh	364.410	351.180	369.005	563.857	
c Power Purchase	Mill kWh	585.244	588.698	556.414	648.334	
d Total Units Sent Out (b + c)	Mill kWh	949.655	939.878	925.419	1,212.190	
e Increase / Decrease in Tariff (8a / 8d x 100)	Ps/kWh	23.279	(18.777)	7.218	50.424	
To be passed on to the consumers - FSA						

9 INCREASE / DERCREESE IN REVENUE

a Units Sold	Mill kWh	731.234	723.706	712.573	933.386	
b Increase / Decrease in Tariff	Ps/kWh	23.279	(18.777)	7.218	50.424	
c Increase / Decrease in Revenue (9a / 9b x 100)	Mill Rs	170.227	(135.892)	51.431	470.654	386.194
d Accumulated increase / decrease in revenue	Mill Rs	166.229	(135.892)	(84.460)	386.194	115.357
e Unrecovered Cost due to 23% T&D loss						727.352

10 INCREASE / DERCREESE IN TARIFF

TO BE ADJUSTED ON QUARTERLY BASIS

a Fuel price variation - item 8a	Mill kWh	221.074	(176.483)	66.794	611.239	
b Units Sent Out - KESC	Mill kWh	364.410	351.180	369.005	563.857	
c Power Purchase	Mill kWh	585.244	588.698	556.414	648.334	
d Total Units Sent Out	Mill kWh	949.655	939.878	925.419	1,212.190	
e Trans & Dist Losses	Mill kWh	23%	23%	23%	23%	
f Units Sold (10d - 10e)	Mill kWh	731.234	723.706	712.573	933.386	
g Increase / Decrease in Tariff (10a / 10f x 100)	Ps/kWh	30.233	(24.386)	9.374	65.486	
To be passed on to the consumers - Tariff						

11 INCREASE / DERCREESE IN REVENUE

a Units Sold (item 10f)	Mill kWh	731.234	723.706	712.573	933.386	
b Increase / Decrease in Tariff (item 10g)	Ps/kWh	30.233	(24.386)	9.374	65.486	
c Increase / Decrease in Revenue (11a x 11b)	Mill Rs	221.074	(176.483)	66.794	611.239	
d Accumulated increase / decrease in revenue	Mill Rs	215.882	(176.483)	(109.689)	501.550	

Work Sheet- Power Purchase Cost Variation

DESCRIPTION	Dec-10	Jan-11	Feb-11	Mar-11	Jan -Mar 11
Furnace Oil					
1 POWER PURCHASES					
a KANUPP	Mill kWh	-	-	-	-
b PASMIC	Mill kWh	7.927	6.712	4.426	3.431
c TAPAL	Mill kWh	54.082	55.349	61.581	78.397
d GUL AHMED	Mill kWh	42.509	45.866	34.907	67.022
e NTDC/WAPDA	Mill kWh	463.209	468.144	441.272	484.375
f ANOUD POWER	Mill kWh	5.951	6.122	6.223	6.281
g DHA CO-GEN	Mill kWh	-	-	-	-
h INT IND (IIL)	Mill kWh	9.595	6.505	8.005	8.828
i KH FAMA	Mill kWh	-	-	-	-
j AGGREKO	Mill kWh	-	-	-	-
k ENGRO	Mill kWh	-	-	-	-
l AL-ABBAS	Mill kWh	1.962	-	-	-
m TOTAL	Mill kWh	585.244	588.698	566.414	648.334
					1,793.446
2 COST OF POWER PURCHASE - FUEL COST					
a KANUPP	Mill Rs	-	-	-	-
b PASMIC	Mill Rs	38.341	44.425	31.665	28.526
c TAPAL	Mill Rs	543.292	571.084	667.981	974.919
d GUL AHMED	Mill Rs	442.609	488.973	390.782	869.187
e NTDC/WAPDA	Mill Rs	2,642.422	3,582.191	2,824.229	3,470.838
f ANOUD POWER	Mill Rs	47.022	50.370	54.323	61.020
g DHA CO-GEN	Mill Rs	-	-	-	-
h INT IND (IIL)	Mill Rs	35.860	24.292	29.931	32.958
i KH FAMA	Mill Rs	-	-	-	-
j AGGREKO	Mill Rs	-	-	0.046	0.046
k ENGRO	Mill Rs	-	-	-	-
l AL-ABBAS	Mill Rs	15.217	-	-	-
m TOTAL	Mill Rs	3,764.764	4,761.334	3,998.912	5,437.493
					14,197.739
3 COST OF POWER PURCHASE- Fuel Cost/kWh					
a KANUPP	RskWh	-	-	-	-
b PASMIC	RskWh	4.837	6.618	7.154	8.313
c TAPAL	RskWh	10.046	10.318	10.847	12.436
d GUL AHMED	RskWh	10.412	10.661	11.195	12.969
e NTDC/WAPDA	RskWh	5.705	7.652	6.400	7.166
f ANOUD POWER	RskWh	7.889	8.228	8.729	9.715
g DHA CO-GEN	RskWh	-	-	-	-
h INT IND (IIL)	RskWh	3.737	3.734	3.739	3.734
i KH FAMA	RskWh	-	-	-	-
j AGGREKO	RskWh	-	-	-	#DIV/0!
k ENGRO	RskWh	-	-	-	-
l AL-ABBAS	RskWh	7.756	-	-	-
m AVERAGE	RskWh	6.433	8.088	7.187	8.387
					7.916
4 INCREASE / DECREASE IN FUEL COMPONENT OF POWER PURCHASE - TO BE PASSED IN THE MONTHLY BILLS					
a Average Monthly Fuel cost of Power Purchase (Item 3m)	RskWh	6.433	8.088	7.187	8.387
b Reference Rate - Previous Month	RskWh	5.254	6.433	6.433	6.433
c Increase / Decrease in Average Rate of Power Purchase (4a-4b)	RskWh	1.179	1.655	0.754	1.954
d Total Power Purchase (Item 1m)	Mill kWh	585.244	588.698	566.414	648.334
e Increase / Decrease in Fuel Cost of Power Purchase (4c*4d)	Mill Rs	690.118	974.353	419.609	1,266.889
5 INCREASE / DECREASE IN TARIFF TO BE PASSED IN THE MONTHLY BILLS					
a Fuel price variation in cost of power purchase (Item 4a)	Rs/kWh	690.118	974.353	419.609	1,266.889
b Units Sent Out - KESC	Mill kWh	364.410	351.180	369.005	563.857
c Power Purchase	Mill kWh	585.244	588.698	566.414	648.334
d Total Units Sent Out (b + c)	Mill kWh	949.654	939.878	925.419	1,212.190
e Increase / Decrease in Tariff (5a / 5b x 100) To be passed on to the consumers - FSA	Ps/kWh	72.671	103.668	45.343	104.512
		224.101		96.510	291.384
6 INCREASE / DECREASE IN REVENUE					
a Units Sold	Mill kWh	731.234	723.706	712.573	933.386
b Increase / Decrease in Tariff (item 5e)	Ps/kWh	72.671	103.668	45.343	104.512
c Increase / Decrease in Revenue (6a / 6b x 100)	Mill Rs	531.392	750.252	323.099	975.504
d Accumulate Increase / decrease in revenue	Mill Rs	767.124	750.252	1,073.351	2,048.855
e Unrecoverable Cost due to 23% T&D loss	Mill Rs				611.996
					727.352
7 O&M PAYMENT					
a KANUPP	Mill Rs	-	-	-	-
b PASMIC	Mill Rs	1.165	8.628	5.690	4.411
c TAPAL	Mill Rs	41.725	43.770	48.698	61.996
d GUL AHMED	Mill Rs	19.146	21.172	16.113	30.937
e NTDC/WAPDA	Mill Rs	646.743	734.736	684.109	716.014
f ANOUD POWER	Mill Rs	9.489	9.746	9.907	10.000
g DHA CO-GEN	Mill Rs	-	-	-	-
h INT IND (IIL)	Mill Rs	15.384	10.719	12.586	13.867
i KH FAMA	Mill Rs	-	-	-	-
j AGGREKO	Mill Rs	18.454	18.978	16.622	4.911
k ENGRO	Mill Rs	-	-	-	-
l AL-ABBAS	Mill Rs	0.196	-	-	-
m TOTAL	Mill Rs	752.302	847.748	793.725	2,483.608

Work Sheet- Power Purchase Cost Variation

DESCRIPTION	Dec-10	Jan-11	Feb-11	Mar-11	Jan - Mar 11
Furnace Oil					
8 O&M PAYMENT (Rs/kWh)					#DIV/0!
a KANUPP	Rs/kWh	-	-	-	
b PASMIC	Rs/kWh	0.147	1.285	1.285	1.285
c TAPAL	Rs/kWh	0.772	0.791	0.791	0.791
d GUL AHMED	Rs/kWh	0.450	0.462	0.462	0.462
e NTDC/WAPDA	Rs/kWh	1.396	1.569	1.550	1.478
f ANOUD POWER	Rs/kWh	1.592	1.592	1.592	1.532
g DHA CO-GEN	Rs/kWh	-	-	-	#DIV/0!
h INT IND (IIL)	Rs/kWh	1.603	1.648	1.572	1.571
i KH FAMA	Rs/kWh	-	-	-	#DIV/0!
j AGGREKO	Rs/kWh	-	-	-	#DIV/0!
k ENGRO	Rs/kWh	0.100	-	-	
l AL-ABBAS	Rs/kWh	1.285	1.440	1.427	1.299
m TOTAL	Rs/kWh	0.119	0.155	0.141	0.013
n Variation over Base Rate (Dec 2010)	Mill Rs	69.773	91.006	78.483	8.735
o Variation over Base Rate (Dec 2010) (8a*1m)					178.224
9 CAPACITY PAYMENT					
a KANUPP	Mill Rs	-	-	-	-
b PASMIC	Mill Rs	-	-	-	-
c TAPAL	Mill Rs	109.749	111.001	111.001	111.001
d GUL AHMED	Mill Rs	98.852	100.495	100.495	100.495
e NTDC/WAPDA	Mill Rs	-	-	-	-
f ANOUD POWER	Mill Rs	-	-	-	-
g DHA CO-GEN	Mill Rs	-	-	-	-
h INT IND (IIL)	Mill Rs	-	-	-	-
i KH FAMA	Mill Rs	-	-	-	-
j AGGREKO	Mill Rs	-	-	-	-
k ENGRO	Mill Rs	167.752	168.144	151.872	48.619
l AL-ABBAS	Mill Rs	-	-	-	-
m TOTAL	Mill Rs	1.772	-	-	-
	Mill Rs	378.125	379.640	363.368	260.115
					1,003.123
10 CAPACITY PAYMENT (Rs/ kWh)					
a KANUPP	Mill Rs	-	-	-	-
b PASMIC	Mill Rs	-	-	-	-
c TAPAL	Mill Rs	2.029	2.005	1.803	1.416
d GUL AHMED	Mill Rs	2.325	2.191	2.879	1.499
e NTDC/WAPDA	Mill Rs	-	-	-	-
f ANOUD POWER	Mill Rs	-	-	-	-
g DHA CO-GEN	Mill Rs	-	-	-	-
h INT IND (IIL)	Mill Rs	-	-	-	-
i KH FAMA	Mill Rs	-	-	-	-
j AGGREKO	Mill Rs	-	-	-	-
k ENGRO	Mill Rs	-	-	-	-
l AL-ABBAS	Mill Rs	0.903	-	-	-
m TOTAL	Mill Rs	0.646	0.645	0.653	0.401
n Variation over Base Rate (Dec 2010)	Rs/kWh	0.090	(0.001)	0.007	(0.245)
o Variation over Base Rate (Dec 2010) (10n*1m)	Mill Rs	52.705	(0.716)	3.871	(155.772)
					(155.559)
11 TOTAL O&M & CAPACITY PAYMENT					
a KANUPP	Mill Rs	-	-	-	-
b PASMIC	Mill Rs	1.165	8.628	5.690	4.411
c TAPAL	Mill Rs	151.474	154.771	159.699	172.997
d GUL AHMED	Mill Rs	117.998	121.666	116.608	131.432
e NTDC/WAPDA	Mill Rs	646.743	734.736	684.109	716.014
f ANOUD POWER	Mill Rs	9.489	9.746	9.907	10.000
g DHA CO-GEN	Mill Rs	-	-	-	-
h INT IND (IIL)	Mill Rs	15.384	10.719	12.586	13.867
i KH FAMA	Mill Rs	-	-	-	-
j AGGREKO	Mill Rs	186.207	187.122	168.494	53.529
k ENGRO	Mill Rs	-	-	-	-
l AL-ABBAS	Mill Rs	1.968	-	-	-
m TOTAL	Mill Rs	1,130.428	1,227.388	1,157.093	1,102.250
					3,486.731

Work Sheet- Power Purchase Cost Variation

DESCRIPTION	Dec-10	Jan-11	Feb-11	Mar-11	Jan -Mar 11
Furnace Oil					
12 TOTAL COST WITH O&M AND CAPACITY PAYMENT					
a KANUUP	Mill Rs	-	-	-	-
b PASMIC	Mill Rs	39,507	53,053	37,355	32,936
c TAPAL	Mill Rs	694,766	725,855	827,680	1,147,917
d GUL AHMED	Mill Rs	560,607	610,639	507,390	1,006,619
e NTDC/WAPDA	Mill Rs	3,289,165	4,316,927	3,508,338	4,186,852
f ANOUD POWER	Mill Rs	56,512	60,116	64,231	71,020
g DHA CO-GEN	Mill Rs	-	-	-	-
h INT IND (IIL)	Mill Rs	51,244	35,011	42,517	46,825
i KH FAMA	Mill Rs	-	-	-	-
j AGGREKO	Mill Rs	186,207	187,122	168,494	55,575
k ENGRO	Mill Rs	-	-	-	-
l AL-ABbas	Mill Rs	17,185	-	-	-
m TOTAL	Mill Rs	4,895,191	5,988,722	5,156,005	6,539,743
					17,684,470
13 COST OF POWER PURCHASE- TOTAL Cost/kWh					
a KANUUP	Rs/kWh	-	-	-	-
b PASMIC	Rs/kWh	4.984	7.904	8.439	9.599
c TAPAL	Rs/kWh	12.846	13.114	13.441	14.642
d GUL AHMED	Rs/kWh	13.188	13.314	14.535	14.930
e NTDC/WAPDA	Rs/kWh	7.101	9.221	7.951	8.644
f ANOUD POWER	Rs/kWh	9.481	9.820	10.321	11.307
g DHA CO-GEN	Rs/kWh	-	-	-	-
h INT IND (IIL)	Rs/kWh	5.341	5.382	5.312	5.304
i KH FAMA	Rs/kWh	-	-	-	-
j AGGREKO	Rs/kWh	-	-	-	#DIV/0!
k ENGRO	Rs/kWh	-	-	-	-
l AL-ABbas	Rs/kWh	8.759	-	-	-
m AVERAGE	Rs/kWh	8.364	10.173	9.266	10.087
					9.861
14 INCREASE / DERCREASE IN POWER PURCHASE COST - TOTAL					
a Average Monthly cost of Power Purchase - Fuel Cost (Item 13m)	Rs/kWh	8.364	10.173	9.266	10.087
b Reference Rate - Previous Month	Rs/kWh	6.976	8.364	8.364	8.364
c Increase / Decrease in Average Rate of Power Purchase (a-b)	Rs/kWh	1.388	1.808	0.902	1.723
d Total Power Purchase (Item 1m)	Mill kWh	585,244	588,698	556,414	648,334
e Increase / Decrease in Total Cost of Power Purchase (c*d)	Mill Rs	812,598	1,064,643	501,961	1,116,851
15 INCREASE / DERCREASE IN TARIFF					
TO BE ADJUSTED ON QUARTERLY BASIS					
a Total price variation in cost of power purchase (Item 14h)	Mill Rs	812,598	1,064,643	501,961	1,116,851
Units Sent Out	Mill kWh	364,410	351,180	369,005	563,857
b KESC	Mill kWh	585,244	588,698	556,414	648,334
c Power Purchase	Mill kWh	949,655	939,878	925,419	1,212,190
d Total Units Sent Out (b+c)	Mill kWh	23.0%	23.0%	23.0%	23.0%
e Trans & Dist Losses	Mill kWh	731,234	723,706	712,573	933,386
f Units Sold (15d-15e)	Ps/kWh	111,127	147,110	70,444	119,656
g Increase / Decrease in Tariff	Mill kWh	731,234	723,706	712,573	933,386
h Power Purchase (15a/15f)	Ps/kWh	111,127	147,110	70,444	119,656
16 INCREASE / DERCREASE IN REVENUE					
a Units Sold (Item 15f)	Mill kWh	731,234	723,706	712,573	933,386
b Increase / Decrease in Tariff (Item 15h)	Ps/kWh	111,127	147,110	70,444	119,656
c Increase / Decrease in Revenue (a*b)	Mill Rs	812,598	1,064,643	501,961	1,116,851
d Accumulated increase / decrease in revenue	Mill Rs	1,137,397	1,064,643	1,566,604	2,683,455

K E S C LTD.

Break of Cost of Power Purchases

DESCRIPTION	Dec-10	Jan-11	Feb-11	Mar-11	Jan-Mar 11
1 KANUPP					
Units Purchased	Mill kWh	-	-	-	-
Fuel Cost	Mill Rs	-	-	-	-
Variable O & M	Mill Rs	-	-	-	-
Total Cost	Mill Rs	-	-	-	-
RATE OF PURCHASE FROM KANUPP					
Fuel Cost	Rs/kWh	6.630210	7.145280	7.153630	8.313301 #DIV/0!
Variable O & M	Rs/kWh	0.518580	0.518580	0.518580	0.518580 #DIV/0!
Total Cost	Rs/kWh	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
2 PASMIC					
Units Purchased	Mill kWh	7.926724	6.712408	4.426424	3.431320 14.570152
Fuel Cost	Mill Rs	38.341485	44.424596	31.665000	28.525596 104.615191
Variable O & M	Mill Rs	1.165228	8.627928	5.689593	4.410516 18.728036
Total Cost	Mill Rs	39.506713	53.052523	37.354592	32.936112 123.343228 51.210141
RATE OF PURCHASE FROM PASMIC					
Fuel Cost	Rs/kWh	4.836990	6.618280	7.153630	8.313301 7.180103
Variable O & M	Rs/kWh	0.147000	1.285370	1.285370	1.285370
Total Cost	Rs/kWh	4.983990	7.903650	8.439000	9.598671 8.465473
3 Tapal Energy Ltd.					
Units Purchased	Mill kWh	54.082400	55.349200	61.580500	78.396700 195.326400
Fuel cost	Mill Rs	543.292331	571.083814	667.980879	974.919143 2,213.983836
Variable O & M	Mill Rs	41.724572	43.770147	48.697859	61.996110 154.464117
Total Energy Purchase Price	Mill Rs	585.016902	614.853961	716.678737	1,036.915253 2,368.447952
Capacity Purchase Price	Mill Rs	109.749065	111.001294	111.001294	111.001294 333.003982
Total Cost	Mill Rs	694.765967	725.855255	827.680031	1,147.916547 2,701.451834
Payment of VVVF	-	-	-	-	22.107236
Payment of WPPF	-	-	-	-	55.268091
Total Cost	-	694.765967	725.855255	827.680031	1,147.916547 2,778.827161
RATE OF PURCHASE FROM TAPAL					
Fuel cost	Rs/kWh	10.046	10.318	10.847	12.436 11.335
Variable O & M	Rs/kWh	0.772	0.791	0.791	0.791
Total Energy Purchase Price	Rs/kWh	10.817	11.109	11.638	13.227 12.126
Capacity Purchase Price	Rs/kWh	2.029	2.005	1.803	1.416 1.705
Total Cost	Rs/kWh	12.846	13.114	13.441	14.642 13.830
4 Gul Ahmed Energy Ltd.					
Units Purchased	Mill kWh	42.508824	45.865531	34.907431	67.021933 147.794895
Fuel cost	Mill Rs	442.608593	488.972619	390.782349	869.186503 1,748.941470
Variable O & M	Mill Rs	19.145974	21.171529	16.113270	30.937324 68.222124
Total Energy Purchase Price	Mill Rs	461.754567	510.144148	406.895625	900.123827 1,817.163599
Capacity Purchase Price	Mill Rs	98.852369	100.494786	100.494786	100.494786 301.484358
Total Cost	Mill Rs	560.606936	610.638934	507.390411	1,000.618613 2,118.647957
Payment of VVVF	-	-	-	-	20.670963
Payment of WPPF	-	-	-	-	51.678367
Total Cost	-	560.606936	610.638934	507.390411	1,000.618613 2,190.997287
RATE OF PURCHASE FROM GUL AHMED					
Fuel cost	Rs/kWh	10.412	10.661	11.195	12.969 11.834
Variable O & M	Rs/kWh	0.450	0.462	0.462	0.462
Total Energy Purchase Price	Rs/kWh	10.863	11.123	11.656	13.430 12.295
Capacity Purchase Price	Rs/kWh	2.325	2.191	2.879	1.499 2.040
Total Cost	Rs/kWh	13.188	13.314	14.535	14.930 14.335
5 NTDC/WAPDA					
Units Imported	Mill kWh	463.209000	468.144000	441.272000	484.375000 1,393.791000
Maximum Demand	MW	750	750	760	770
Use of system charges	Mill Rs	75.112500	75.112500	76.114000	77.115500 228.342000
Energy Transfer Charges	Mill Rs	571.630118	659.623888	607.994952	638.898021 1,906.516861
- Capacity Transfer charges	Mill Rs	2,607.843046	3,545.719847	2,708.362059	3,370.752063 9,624.833969
- Energy Transfer Charges I	Mill Rs	87.967558	67.483426	124.105102	100.085922 291.674450
- Energy Transfer Charges II	Mill Rs	(53.388543)	(31.012199)	(8.238107)	(9.042798) (48.293102)
Adjustment for Finance Cost to IPPs	Mill Rs	3,214.052179	4,241.814962	3,432.224006	4,100.693210 11,774.732178
Total Energy Transfer Charges	Mill Rs	3,289.164679	4,316.927462	3,508.338008	4,177.808710 12,003.074178
Total Cost without GST	Mill Rs	443.333318	602.772374	460.421550	573.027851 1,636.221775
GST @ 17%	Mill Rs	3,732.497997	4,919.699836	3,968.759556	4,750.836560 13,639.295952
Total Cost With GST	Mill Rs	-	-	-	-

K E S C LTD.

Break of Cos. of Power Purchases

DESCRIPTION	Dec-10	Jan-11	Feb-11	Mar-11	Jan-Mar 11
RATE OF PURCHASE FROM NTDC					
Use of system charges	Rs/kWh	96.813.00			
Energy Transfer Charges	Rs/kWh	0.162	0.160	0.172	0.159
- Capacity Transfer charges	Rs/kWh	1.234	1.409	1.378	1.319
- Energy Transfer Charges I	Rs/kWh	5.630	7.574	6.138	6.959
- Energy Transfer Charges II	Rs/kWh	0.190	0.144	0.281	0.207
Adjustment for Finance Cost	(0.115)	(0.066)	(0.019)	(0.110)	(0.035)
Total Energy Transfer Charges	Rs/kWh	6.939	9.061	7.778	8.466
Total Cost without GST	Rs/kWh	7.101	9.221	7.951	8.625
GST @ 17%	Rs/kWh	0.957	1.288	1.043	1.183
Total Cost With GST	Rs/kWh	8.058	10.509	8.994	9.808
6 ANOUD Power					
Units Purchased	Mill kWh	5.960507	6.121696	6.223165	6.281235
Energy Charges	Mill Rs	47.022440	50.369927	54.323331	61.020298
Variable O & M	Mill Rs	9.489127	9.745740	9.907279	9.999726
Total Cost	Mill Rs	56.511567	60.115667	64.230610	71.020024
GST @ 17%	Mill Rs	9.606966	10.219663	10.919204	12.073404
	Mill Rs	66.118533	70.335330	75.149814	83.093429
RATE OF PURCHASE FROM ANOUD POWER					
Energy Charges	Rs/kWh	7.889000	8.228100	8.729213	9.714698
Variable O & M	Rs/kWh	1.592000	1.592000	1.592000	1.592000
Total Cost	Rs/kWh	9.481000	9.820100	10.321213	11.306698
7 DHA Co-gen					
Units Purchased	Mill kWh	-	-	-	-
Energy Charges-Fuel	Mill Rs	-	-	-	-
Variable O&M	Mill Rs	-	-	-	-
Fixed Charges	Mill Rs	-	-	-	-
Total Cost	Mill Rs	-	-	-	-
RATE OF PURCHASE FROM DHA CO-GEN					
Energy Charges	Rs/kWh	-	-	-	#DIV/0!
Variable O & M	Rs/kWh	-	-	-	#DIV/0!
Fixed Charges	Rs/kWh	-	-	-	#DIV/0!
Total Cost	Rs/kWh	-	-	-	#DIV/0!
8 IIL INDUSTRIES - Original Invoice					
Units Purchased	Mill kWh	9.125169	6.083464	7.693299	8.227281
Fuel Cost	Mill Rs	34.192008	22.794740	28.826791	30.827622
Variable and other charges	Mill Rs	14.104313	9.678791	11.801521	12.620649
Differential due to increase in borrowing cost	Mill Rs	0.548444	0.383258	0.300039	0.312637
Amount excluding GST	Mill Rs	48.844765	32.856789	40.928351	43.760908
GST @ 17%	Mill Rs	8.303610	5.585654	6.957820	7.439354
Amount payable with GST	Mill Rs	57.148375	38.442443	47.886171	51.200262
Rate of Purchase from IIL Industries					
Fuel Cost	Rs/kWh	3.747000	3.747000	3.747000	3.747000
Variable and other charges	Rs/kWh	1.545649	1.591000	1.534000	1.534000
Differential due to increase in borrowing cost	Rs/kWh	0.060102	0.063000	0.039000	0.038000
Rate excluding GST	Rs/kWh	5.352752	5.401000	5.320000	5.319000
GST @ 17%	Rs/kWh	0.909968	0.918170	0.904400	0.904230
Rate with GST	Rs/kWh	6.262720	6.319170	6.224400	6.223230
IIL Industries - Verified for Payment					
Units Purchased	Mill kWh	9.125169	6.083464	7.693299	8.227281
Fuel Cost	Mill Rs	34.192008	22.794740	28.826791	30.827622
Variable and other charges	Mill Rs	14.104313	9.678791	11.801521	12.620649
Differential due to increase in borrowing cost	Mill Rs	0.548444	0.383258	0.300039	0.312637
Amount excluding GST	Mill Rs	48.844765	32.856789	40.928351	43.760908
GST @ 17%	Mill Rs	8.303610	5.585654	6.957820	7.439354
Amount payable with GST	Mill Rs	57.148375	38.442443	47.886171	51.200262
Rate of Purchase from IIL Industries					
Fuel Cost	Rs/kWh	3.747000	3.747000	3.747000	3.747000
Variable and other charges	Rs/kWh	1.545649	1.591000	1.534000	1.534000
Differential due to increase in borrowing cost	Rs/kWh	0.060102	0.063000	0.039000	0.038000
Rate excluding GST	Rs/kWh	5.352752	5.401000	5.320000	5.319000
GST @ 17%	Rs/kWh	0.909968	0.918170	0.904400	0.904230
Rate with GST	Rs/kWh	6.262720	6.319170	6.224400	6.223230
IIL INDUSTRIES 4 MW- Original Invoice					
Units Purchased	Mill kWh	0.469990	0.421887	0.311272	0.600249
Fuel Cost	Mill Rs	1.667995	1.497277	1.104704	2.130284
Variable and other charges	Mill Rs	0.731304	0.656456	0.484339	0.933987
Differential due to increase in borrowing cost	Mill Rs	2.399299	2.153733	1.589044	3.064271
Amount excluding GST	Mill Rs	0.407881	0.366135	0.270137	0.520926
GST @ 17%	Mill Rs	2.807180	2.519868	1.859181	3.585197
Amount payable with GST	Mill Rs	2.807180	2.519868	1.859181	3.585197

