



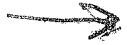
PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

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OFFICE OF THE
FINANCE DIRECTOR
PESCO PESHAWAR

No. 2397-99 /FD/PESCO/CP&C

Date 29 /08/2018



The Registrar,
National Electric Power Regulatory Authority,
NEPRA Tower, Attaturk Avenue, Sector G-5/1,
Islamabad.

For information of Mr. P. [Signature]
SAI - I) - ADG (TV) 31 08 18
Staff:
- SAC (Ch) - DG (MSE) E. chairman
- DRD/DAE-I / MF - LA (UP) M (T)
M (MSE) - M (G)

Subject:- APPLICATION FOR 1ST, 2ND, 3RD & 4TH QUARTERLY ADJUSTMENTS FOR
FY 2017-18 (Distribution License No.07/DL/2002 dated 30th April, 2002).

In continuation of this office letter No.2350-51/FD/PESCO CP&C dt; 07-08-2018, enclosed find herewith revised application of PESCO for 1st, 2nd, 3rd & 4th quarterly adjustments for FY 2017-18 in respect of PESCO as per the transfer pricing mechanism notified vide SRO No.382(I)/2018 dated 22-03-2018.

It is pertinent to mention here that the calculation has been revised on the basis of the data provided by CPPA-G vide e-mail dated 28-08-2018 regarding fixed O&M of Wind and Solar Power Plants, previously billed as energy purchase price now revised to Capacity Purchase Price (Copy enclosed), accordingly the quarterly adjustment on account of Capacity Purchase Price has been revised.

It is also requested to de-link the 1st and 2nd quarterly adjustment from the tariff determination of PESCO for the FY 2016-17 and FY 2017-18 and be issued separately for its timely notification, to enable PESCO to pay off the same to CPPA.

Keeping foregoing in view the application for 1st, 2nd, 3rd & 4th quarterly adjustments is again submitted on the basis of revised Capacity Purchase Price with the request to allow the same separately as per notified transfer pricing mechanism.

DA/As above

FINANCE DIRECTOR
PESCO PESHAWAR

Cc:

1. CEO CPAA-G Islamabad. G-5/2 Need/ Building 1st Floor
2. Section Officer Tariff Ministry of Energy (Power Division) Islamabad, w.r.t. the Video Conference dated 29-08-2018.

July 2018

ADG (Tariff)
Dy. No. 957
Date 03-09-18

REGISTRAR
Dy. No. 8639
Date: 31-08-18



DISCO wise breakup of Fixed O&M of Wind & Solar Power Plants billed as EPP because of applicability of GST
For the Financial Year 2017-18

DISCO Name	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Total
DISCO	640,116,048	715,587,745	543,241,048	218,654,440	258,248,560	344,805,536	269,974,873	244,922,461	387,229,455	631,530,227	1,006,934,636	947,543,934	6,208,788,963
FESCO	498,074,669	556,305,618	433,200,567	171,968,334	200,556,567	265,407,165	203,942,682	173,993,037	269,279,813	442,109,527	753,183,905	756,483,709	4,724,105,613
GEPCO	232,631,523	235,402,150	227,001,615	94,356,808	117,485,196	127,270,214	97,237,801	86,812,295	142,110,139	250,507,019	439,504,130	420,264,207	2,490,583,095
HESCO	206,338,361	236,138,527	197,752,523	72,789,406	82,608,816	119,307,393	93,577,460	65,896,902	95,882,032	184,916,948	334,315,862	336,610,124	2,026,134,353
SEPCO	522,483,972	583,262,167	448,092,289	176,499,487	230,386,249	314,611,777	250,488,494	204,300,567	257,707,545	454,311,805	736,653,762	803,049,838	4,981,847,952
IESCO	1,035,631,548	1,169,422,347	893,429,851	374,488,949	433,258,660	587,943,804	454,802,167	405,185,227	607,225,709	1,016,994,543	1,634,473,447	1,551,684,154	10,164,540,406
MEPCO	857,765,226	973,478,611	746,639,306	278,816,331	305,498,291	409,959,991	330,935,534	295,135,407	492,307,558	836,537,135	1,381,193,711	1,366,274,858	8,274,561,959
PESCO	556,931,350	615,621,317	507,745,177	192,067,014	309,633,855	469,324,617	392,084,127	297,965,836	328,394,393	531,967,213	864,067,003	935,891,030	6,001,692,932
TESCO	52,739,997	58,613,965	54,313,875	25,848,700	44,835,786	61,442,045	47,538,651	42,315,646	51,246,517	70,459,736	98,454,578	88,078,522	695,908,018
QESCO	227,776,626	256,827,146	206,149,681	93,246,601	155,681,256	207,778,250	163,062,426	134,020,741	175,282,077	258,698,333	398,956,043	378,303,486	2,655,782,665
TOTAL (DISCOS)	4,830,489,319	5,420,659,592	4,257,565,932	1,698,736,088	2,138,193,237	2,907,850,792	2,303,664,215	1,950,148,119	2,806,665,238	4,678,052,485	7,647,737,077	7,584,183,862	48,223,945,956
K ELECTRIC	184,163,262	198,899,198	174,904,905	81,070,713	125,346,197	157,957,252	127,493,559	112,985,563	154,554,134	220,852,494	310,941,425	276,024,020	2,125,192,722
TOTAL (DISCOS+ K ELECTRIC)	5,014,652,581	5,619,558,790	4,432,470,837	1,779,806,801	2,263,539,434	3,065,808,044	2,431,157,774	2,063,133,682	2,961,219,372	4,898,904,979	7,958,678,502	7,860,207,882	50,349,138,678

PESHAWAR ELECTRIC SUPPLY COMPANY
1ST, 2ND, 3RD & 4TH QUARTER ADJUSTMENT FOR FY 2017-18

Description	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Fuel Cost Component	(4,666)	(5,393)	(4,922)	1,029	(13,951)
Impact of VO&M	146	43	(18)	(83)	88
Impact of CPP	2,795	3,281	5,936	9,907	21,920
Impact of UoSC	204	281	390	75	950
Required Adjustment for the Quarter	(1,521)	(1,788)	1,387	10,929	9,006
Adjustment of Life Line Consumers to be adjusted against Subsidy	2,683	3,101	2,830	239	8,854
Net Adjustment required	1,162	1,313	4,217	11,168	17,859
Impact of extra / lesser Purchases	4,714	6,356	8,663	9,479	29,212
Total Adjustment	5,875	7,669	12,880	20,648	47,071

FORM - 6 (A)
Peshawar Electric Supply Company

Power Purchase (Actual)

2017-18

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Demand & Energy													
Units Received	1,362	1,360	1,287	1,065	957	1,151	1,242	983	939	1,073	1,292	1,500	14,209
MDI	2,606	2,564	2,654	2,347	2,410	2,601	2,848	2,675	2,367	2,587	3,046	3,044	2,646
Energy Purchase Price	6.0898	6.0948	4.9654	6.7289	4.9793	6.3076	6.9021	6.1944	7.0455	6.7587	7.2998	6.3463	6
Capacity Purchase Price	1.097	1.094	1.354	1.033	1.789	1.367	1.448	1.596	1.977	1.635	2.058	1.926	1.851
Transmission Charge	126.7500	126.7500	126.7500	138.0400	136.0400	136.0400	136.0400	136.0400	136.0400	136.0400	136.0400	136.0400	131
Power Purchase Cost													
Energy Charge	8,270	8,286	6,390	7,162	4,764	7,260	8,570	6,091	6,617	7,250	9,429	9,517	89,605
Capacity Charge	2,858	2,805	3,592	2,425	4,312	3,557	4,124	4,269	4,681	4,228	6,271	5,864	48,985
Transmission Charge	330	325	336	319	328	354	388	364	322	352	414	414	4,247
Adjustment **													
Total Operating Cost	11,458	11,416	10,318	9,907	9,404	11,171	13,081	10,724	11,620	11,829	16,114	15,795	142,837
Capacity charges of Wind & Solar	557	616	508	192	310	469	392	298	328	532	864	936	6,002

Quarterly Adjustments - Qrt

	FY 2014-15 Determination	FY 2014-15 Determination	FY 2014-15 Determination	FY 2015-16 Determination
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
EPP Adjustment				
EPP - 1st month of the Qrt				
Reference -	6.4933	7.3369	9.8670	6.0329
Actual	6.0698	6.7269	6.9021	6.7587
Variable O&M	0.2630	0.2673	0.3014	0.3078
Net EPP	5.8069	6.4596	6.6006	6.4509
Disallowed & Deferred Cost	1.0230	1.3775	(0.0243)	1.1078
Fuel Price Adjustment Allowed	(1.7094)	(2.2548)	(3.2421)	(0.6898)
EPP - 2nd month of the Qrt				
Reference -	6.4562	7.3040	7.2603	5.2908
Actual	6.0948	4.9793	6.1944	7.2998
Variable O&M	0.2624	0.2966	0.2971	0.2844
Net EPP	5.8324	4.6825	5.8973	7.0154
Disallowed & Deferred Cost	1.1960	0.4928	0.9236	0.5034
Fuel Price Adjustment Allowed	(1.8198)	(3.1143)	(2.2866)	1.2212
EPP - 3rd month of the Qrt				
Reference -	6.4326	8.1037	8.0985	2.4424
Actual	4.9654	6.3076	7.0455	4.9927
Variable O&M	0.3018	0.2994	0.2918	0.2874
Net EPP	4.6637	6.0082	6.7537	6.0589
Disallowed & Deferred Cost	0.4252	0.8839	0.5403	0.5578
Fuel Price Adjustment Allowed	(2.1941)	(2.9844)	(1.8851)	0.5084

	1st month of the Qrt	2nd month of the Qrt	3rd month of the Qrt	4th Qtr
Target Losses for the quarter	26.00%	26.00%	26.00%	31.95%
1st month of the Qrt				
Units Received (MKWh)	1,362	1,065	1,242	1,073
Units to be sold (MKWh)	1,008	788	919	730
Units without Life line, Domestic Consumer upto 300 Units & Agriculture (MKWh)	529	413	482	383
Adjustment already given (Min Rs)	(904)	(932)	(1,563)	(264)
Adjustment that should have been with allowed costs only (Min Rs)	(2,329)	(2,401)	(4,025)	(740)
Impact of disallowed costs (Min Rs)	1,394	1,467	(30)	1,188
Impact of disallowed costs (Min Rs)	(1,425)	(1,459)	(2,463)	(476)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs)	(31)	(2)	(2,493)	713
Impact of lifeline, Domestic Consumer upto 300 Units & Agriculture from new reference	(819)	(845)	(1,416)	(239)
Impact of losses from new reference	(606)	(624)	(1,047)	(236)
Impact of change of base reference price/ Stay order by Peshawar High Court	(1,425)	(1,469)	(2,463)	(476)
26.00%	26.00%	26.00%	26.00%	31.95%
2nd month of the Qrt				
Units Received (MKWh)	1,360	957	983	1,292
Units to be sold (MKWh)	1,006	708	728	879
Units without Life line / Agriculture (MKWh)	528	371	382	461
Adjustment already given (Min Rs)	(960)	(1,157)	(873)	(563)
Adjustment that should have been with allowed costs only (Min Rs)	(2,474)	(2,980)	(2,248)	(1,577)
Impact of disallowed costs (Min Rs)	1,626	471	508	650
Impact of disallowed costs (Min Rs)	(1,514)	(1,823)	(1,376)	(1,014)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs)	112	(1,351)	(467)	1,664
Impact of lifeline, Domestic Consumer upto 300 Units & Agriculture from new reference	(870)	(1,048)	(791)	(510)
Impact of losses from new reference	(643)	(775)	(585)	(504)
Impact of change of base reference price/ Stay order by Peshawar High Court	(1,514)	(1,823)	(1,376)	(1,014)
26.00%	26.00%	26.00%	26.00%	31.95%
3rd month of the Qrt				
Units Received (MKWh)	1,287	1,151	939	1,500
Units to be sold (MKWh)	952	852	695	1,020
Units without Life line (MKWh)	500	447	365	535
Adjustment already given (Min Rs)	(1,096)	(1,334)	(687)	(272)
Adjustment that should have been with allowed costs only (Min Rs)	(2,823)	(3,435)	(1,770)	(762)
Impact of disallowed costs (Min Rs)	547	1,023	507	837
Impact of disallowed costs (Min Rs)	(1,727)	(2,102)	(1,083)	(490)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs)	(1,180)	(1,078)	(576)	1,327
Impact of lifeline, Domestic Consumer upto 300 Units & Agriculture from new reference	(993)	(1,208)	(623)	(247)
Impact of losses from new reference	(734)	(893)	(460)	(244)
Impact of change of base reference price/ Stay order by Peshawar High Court	(1,727)	(2,102)	(1,083)	(490)
Total Adjustment on account of EPP allowed only (Min Rs)	(4,666)	(5,393)	(4,922)	1,029
Total Adjustment on account of EPP allowed and disallowed (Min Rs)	(1,099)	(2,432)	(3,536)	3,704

CPP ADJUSTMENT

Ref for the 1st month of the Qrt

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
1st month of the Qrt				
Actual CPP per kWh	2.51	2.46	3.64	4.44
Delta CPP per kWh	0.53	0.16	1.15	2.12
Adjustment Required for the Month (Min Rs)	723	171	1,422	2,270

Price Variance
Impact of losses

535	127	1,053	-	1,545
188	44	370	-	725
723	171	1,422	-	2,270

Ref. for the 2nd month of the Qrt

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
2nd month of the Qrt				
Actual CPP per kWh	2.52	4.83	4.64	5.52
Delta CPP per kWh	0.51	2.27	1.96	3.17
Adjustment Required for the Month (Min Rs)	695	2,167	1,932	4,098

Price Variance
Impact of losses

514	1,604	1,429	-	2,789
181	563	502	-	1,309
695	2,167	1,932	-	4,098

Ref. for the 3rd month of the qrt

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
3rd month of the Qrt				
Actual CPP per kWh	3.19	3.50	5.33	4.53
Delta CPP per kWh	1.07	0.82	2.75	2.36
Adjustment Required for the Month (Min Rs)	1,377	943	2,582	3,539

Price Variance
Impact of losses

1,019	697	1,911	-	2,408
358	245	671	-	1,131
1,377	943	2,582	-	3,539

Total Adjustment on account of CPP (Min Rs)

2,795	3,281	5,936	9,907
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Price Variance
Impact of losses

2,068	2,428	4,393	-	6,742
727	853	1,543	-	3,165
2,795	3,281	5,936	-	9,907

Variable O&M ADJUSTMENT				
Ref for the 1st month of the Qrt				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
1st month of the Qrt	0.24	0.26	0.31	0.36
Actual Variable per KWh	0.26	0.27	0.30	0.31
Delta Variable per KWh	0.02	0.0099	(0.01)	(0.05)
Adjustment Required for the Month (Mln Rs)	26.38	10.53	(12.87)	(53.54)
Price Variance	19.52	7.79	(9.53)	(36.43)
Impact of losses	6.86	2.74	(3.35)	(17.10)
	26.38	10.53	(12.87)	(53.54)
Ref. for the 2nd month of the Qrt	0.24	0.27	0.29	0.31
2nd month of the Qrt	0.26	0.30	0.30	0.28
Actual Variable per KWh	0.02	0.0301	0.01	(0.02)
Delta Variable per KWh	26.48	28.82	6.93	(26.61)
Adjustment Required for the Month (Mln Rs)	19.60	21.32	5.13	(18.11)
Price Variance	6.89	7.49	1.80	(8.50)
Impact of losses	26.48	28.82	6.93	(26.61)
Ref. for the 3rd month of the qrt	0.23	0.30	0.31	0.29
3rd month of the Qrt	0.30	0.30	0.29	0.29
Actual Variable per KWh	0.07	0.0033	(0.01)	(0.00)
Delta Variable per KWh	93.01	3.85	(12.40)	(2.55)
Adjustment Required for the Month (Mln Rs)	68.83	2.85	(9.17)	(1.73)
Price Variance	24.18	1.00	(3.22)	(0.81)
Impact of losses	93.01	3.85	(12.40)	(2.55)
Total Adjustment on account of variable O&M (Mln Rs)	146	43	(18)	(83)

UoSC ADJUSTMENT

Ref for the 1st month of the Qrt

1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
0.19	0.22	0.21	0.30

1st month of the Qrt

Actual UoSc per KWh

Delta UoSc per KWh

Adjustment Required for the Month (Min Rs)

0.24	0.29991	0.31	0.33
0.05	0.08	0.10	0.03
72.24	89.45	122.41	30.40

Price Variance

Impact of losses

53.46	66.19	90.59	20.69
18.78	23.26	31.83	9.71
72.24	89.45	122.41	30.40

Ref. for the 2nd month of the Qrt

2nd month of the Qrt

Actual UoSc per KWh

Delta UoSc per KWh

Adjustment Required for the Month (Min Rs)

0.20	0.23	0.23	0.27
0.24	0.34	0.37	0.32
0.04	0.11	0.14	0.05
57.72	108.28	141.80	67.64

Price Variance

Impact of losses

42.72	80.13	104.93	46.03
15.01	28.15	36.87	21.61
57.72	108.28	141.80	67.64

Ref. for the 3rd month of the qrt

3rd month of the Qrt

Actual UoSc per KWh

Delta UoSc per KWh

Adjustment Required for the Month (Min Rs)

0.20	0.24	0.21	0.29
0.26	0.31	0.34	0.28
0.06	0.07	0.13	(0.02)
73.60	83.11	125.86	(23.01)

Price Variance

Impact of losses

54.46	61.50	93.13	(15.66)
19.14	21.61	32.72	(7.35)
73.60	83.11	125.86	(23.01)

Total Adjustment on account of UoSc (Min Rs)

204	281	390	75
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Total Adjustment for the quarter allowed costs only (Min Rs)

(1,667)	(1,832)	1,405	11,011
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Total Adjustment for the quarter allowed, Disallowed & deferred costs only (Min Rs)

1,900	1,130	2,790	13,686
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Impact of Extra or Less Purchases

Ref Unit Purchased (Mkw/h)	
1st month of the Qrt	1,225
2nd month of the Qrt	1,164
3rd month of the Qrt	1,092
3,481	2,586
	2,438
	2,750

Actual Unit Purchased (Mkw/h)	
1st month of the Qrt	1,362
2nd month of the Qrt	1,360
3rd month of the Qrt	1,287
4,009	3,173
	3,164
	3,864

Difference (Mkw/h)	
1st month of the Qrt	137
2nd month of the Qrt	196
3rd month of the Qrt	195
528	587
	726
	1,114

PPP Ref (Per KWh)

Ref PPP (per KWh)	
1st month of the Qrt	8.90
2nd month of the Qrt	8.90
3rd month of the Qrt	8.98
	10.11
	10.37
	11.31
	12.88
	10.46
	11.20
	9.70
	8.22
	7.75

Impact of extra Purchases (Rs. Millions)

1st month of the Qrt	1,223	978	-	5,020	-	3,402
2nd month of the Qrt	1,740	1,791	-	1,760	-	2,889
3rd month of the Qrt	1,750	3,587	-	1,883	-	3,189
4,714	6,356	-	8,663	-	9,479	

PPP Reconciliation

Total PPP for the 1st Month at reference (Rs.Million)	10,905	9,784	10,977	7,005
Total PPP for the 2nd Month at reference (Rs.Million)	10,361	8,126	8,522	7,723
Total PPP for the 3rd Month at reference (Rs.Million)	9,809	9,436	8,633	8,429
31,074	27,346	28,132	23,156	

Actual PPP (per KWh)	
1st month of the Qrt	8.82
2nd month of the Qrt	8.85
3rd month of the Qrt	8.41
	9.48
	10.15
	10.11
	10.099
	9.713
	11.640
	11.949
	36.444
	46.070

Total PPP for the 1st Month at actual (Rs.Million)	12,015	10,099	13,473	12,361
Total PPP for the 2nd Month at actual (Rs.Million)	12,032	9,713	11,022	16,978
Total PPP for the 3rd Month at actual (Rs.Million)	10,826	11,640	11,949	16,731
34,872	31,452	36,444	46,070	

Total Adjustment for Quarter	3,799	-	4,106	-	22,914
Net Recoverable	3,192	-	4,567	-	20,408