



# National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No. NEPRA/TRF-108/IESCO-2008/1261-63

December 2, 2008

Subject: **Decision of the Authority in the Matter of Monthly Adjustment of Power Purchase Price (PPP) for Islamabad Electric Supply Company Ltd. (IESCO) [Case No. NEPRA/TRF-108/IESCO-2008 (3)] - Intimation of Decision of Tariff pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997)**

Dear Sir,

Please find enclosed decision of the Authority along with Annex-I (02 pages) in respect of monthly adjustment of Power Purchase Price variation for the month of October 2008 for IESCO in Case No. NEPRA/TRF-108/IESCO-2008 (3) as notified by the Federal Government vide SRO 959(I)/2008.

2. The decision is being intimated to the Federal Government for the purposes of notification of adjustments in the Power Purchase Price through the official Gazette pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997) and Rule 16(11) of the National Electric Power Regulatory Authority Tariff (Standards and Procedure) Rules, 1998.

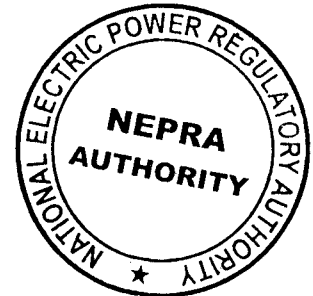
3. Please note that only Annex-I attached with the decision needs to be notified in the official Gazette.

Enclosure: As above.

( Hussnain Zaigham)

The Secretary  
Cabinet Division  
Government of Pakistan  
Cabinet Secretariat  
Islamabad

- CC: 1. Secretary, Ministry of Water & Power, Islamabad.  
2. Secretary, Ministry of Finance, Islamabad



November 26, 2008


**Decision of the Authority in the Matter of  
Monthly Adjustment of Power Purchase Price (PPP) for  
Islamabad Electric Supply Company Limited (IESCO)**

8 The Authority considered IESCO's request for monthly adjustment of power purchase price (PPP) variation pursuant to paragraph II of the order of the Authority dated 23<sup>rd</sup> August 2008 notified by the Federal Government vide SRO 959(I)/2008. According to the information/evidence placed before the Authority, the actual PPP for the month of *October* 2008, charged to IESCO by Central Power Purchasing Agency (CPPA), was Rs. 6.5787/kWh, which was Rs. 1.1301/kWh higher than the reference PPP of Rs. 5.4486/kWh. After incorporating the impact of target distribution losses of 11%, the required upward per unit adjustment in the determined tariff has been assessed as Rs. 1.27 (Annex I).

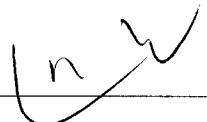
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**Authority**

Zafar Ali Khan  
Member

  
26/11/08

Maqbool Ahmad Khawaja  
Member



Ghiasuddin Ahmed  
Member



Khalid Saeed  
Chairman

  
11/12





**Islamabad Electric Supply Company Limited  
Adjustment for Power Purchase Price  
For the Month of October 2008**

$$\Delta PPP = \pm \frac{(PPP_{(Act)} - PPP_{(Ref)})}{(1 - L)}$$

Where:

**$\Delta PPP$**  is the variation in Power Purchase Price including fuel price variation in terms of Rs./kWh purchased occurred in a month against the reference PPP.

**$PPP_{(Act)}$**  is the actual PPP (Rs. 6.5787/kWh purchased for October 2008) during the month for which the adjustment is required to be made.

**$PPP_{(Ref)}$**  is the reference power purchase price (PPP) of Rs. 5.4486/kWh.

**$L$**  is the target losses which are 11% for FY 2008-09.

Replacing values in the formula we get,

$$\Delta PPP = (6.5787 - 5.4486) / (1 - 11\%)$$

$$\Delta PPP = + \text{Rs. } 1.27 / \text{kWh}$$

The impact of change in the power purchase price will be calculated according to the following formula:

$$\text{PPP Adjustment} = \pm \Delta PPP \times U(C)$$

Where:

**$U(C)$**  is units consumed by the consumer during the month for which the adjustment is required to be made

