



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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E-mail: registrar@nepra.org.pk

Registrar

No. NEPRA/TRF-100/MFPA/3440-3442

November 02, 2010

Subject: Decision of the Authority in the matter of Fuel Charges Adjustment for the Month of September 2010 for XWDISCOs - 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)

In continuation of this office letter No. NEPRA/R/SMD-06/1866-67 dated 24.08.2010 and pursuant to the provisions of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (NEPRA Act) and as per mechanism for monthly fuel price adjustment prescribed by NEPRA in the 1st quarterly tariff Determination of FY 2009-10 for the XWDISCOs duly notified in the official Gazette, the Authority has to review the fuel charges on monthly basis in the approved tariff on account of any variation.

2. Please find enclosed decision of the Authority along with Annex-I & Annex-II (06 pages) in respect of Fuel Charges Adjustment for the month of September 2010 for XWDISCOs.
3. The decision is being intimated to the Federal Government for the purpose of notification of Fuel Charges Adjustment for XWDISCOs in the official Gazette pursuant to Section 31(4) of NEPRA Act and Rule 16(11) of NEPRA (Tariff Standards and Procedure) Rules, 1998.

Encl: As above

Secretary
Ministry of Water & Power
'A' Block, Pak Secretariat
Islamabad

CC:

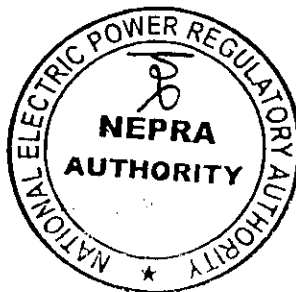
1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.


(Syed Safer Hussain)



**DECISION OF THE AUTHORITY IN THE MATTER OF FUEL CHARGES ADJUSTMENT
FOR THE MONTH OF SEPTEMBER 2010 FOR XWDISCOS**

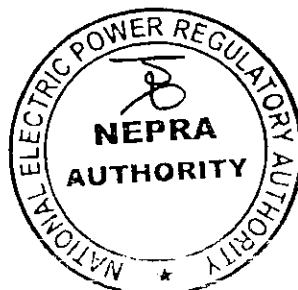
1. Pursuant to the provisions of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997, (XL of 1997), the Authority has to review and revise the approved tariff on account of any variations in the fuel charges on monthly basis.
2. In order to review and revise the approved tariff of the XWDISCOS due to variations in the fuel charges for the month of September, 2010, necessary information as to the details of fuel charges was obtained from the Central Power Purchasing Agency (CPPA).
3. Notwithstanding the fact that the monthly adjustments on account of fuel charges variations are made in pursuance to the provisions of section 31(4) of the Act XL of 1997, yet the impact of such adjustments, if any, is passed on to the consumers of electricity, therefore, in order to meet with the ends of natural justice, the Authority decided to provide an opportunity of hearing to all concerned while reviewing and revising the approved tariff on account of the variations in the fuel charges.
4. A date of hearing for the aforesaid purpose was fixed as 25th October 2010 in the NEPRA main office; notice thereof was published in two leading national newspapers on 19th October 2010 inviting comments/objections from the concerned persons.
5. On the date fixed for hearing, representatives from Central Power Purchasing Agency (CPPA), Wapda Private Power Organization (WPPO) and media were present, however, no representative from Ministry of Water & Power and Ministry of Finance attended the public hearing despite the service of notice. No written objection or comments were received regarding the proposed adjustments from any person. Further there was also no representation from the general public/consumers of electricity.



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6. From the careful perusal of the information so provided by CPPA, it has been observed that the actual pool fuel charges of Rs. 4.11/kWh for the month of September 2010 decreased by Rs. 0.23/kWh (Annex-I&II) as compared to the reference fuel charges, i.e. Rs. 4.34/kWh as indicated in the Annexure-IV of the Authority's determination pertaining to the 1st Quarter of FY 2009-10.
7. The Authority noted that the supplemental charges under PPAs included an amount of Rs. 953 million on account of markup on delayed payment to IPPs. The Authority in its earlier decisions disallowed this cost for the reason that the consumers who pay their bills in time cannot be burdened with the markup on delayed payment to IPPs. Accordingly, the Authority in line with its previous decisions has decided to disallow the markup cost of Rs. 953 million to be passed on to the consumers. In this regard the impact of markup cost of Rs. 0.12/kWh is disallowed accordingly.
8. The Authority further noted that during September 2010 NTDC claimed 2.64% transmission losses against the determined losses of 2.5% as per the Authority's determination dated 6th January 2006 (Case No. NEPRA/TRF-45/NTDC-2005). The Authority considers that the claimed transmission losses by NTDC are not consistent with the Authority's determination hence cannot be passed on to the consumers as such. The Authority has, therefore, decided to restrict the NTDC losses to 2.5% in accordance with its determination; accordingly the impact of Rs. 0.01/kWh on this account is also disallowed to be passed on to the consumers.
9. Accordingly the Authority has reviewed and assessed a decrease of Rs. 0.36/kWh in the applicable tariff for EX-WAPDA DISCOS on account of variations in the fuel charges for the month of September 2010 as per the following:

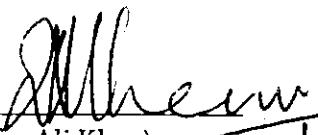
Actual Fuel Charges Component for September 2010	Rs. 3.98/kWh
Corresponding Reference Fuel Charges Component (Determined)	Rs. 4.34/kWh
Fuel Charges Variation for the month of September 2010	(-) Rs. 0.36/kWh

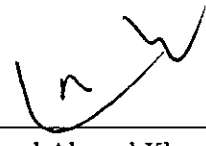



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10. In the light of the observations made in paragraph 7 & 8 above, the Authority hereby directs CPPA to revise accordingly the fuel charges component invoiced to the distribution companies.
11. The above adjustment as referred to in Para 9 above ;
- i) shall be applicable to all the consumer categories except lifeline consumers of all the DISCOs;
 - ii) shall be shown separately in the consumers' bill on the basis of units billed to the consumer in the month of September 2010.

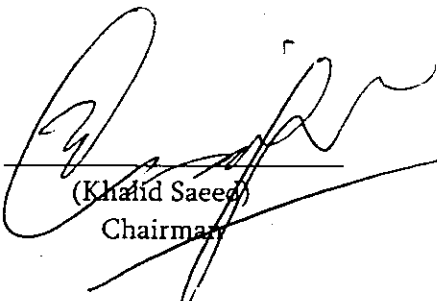
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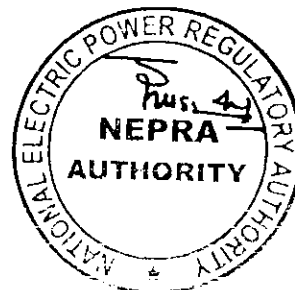

(Zafar Ali Khan)
Member
28/10/10


(Maqbool Ahmad Khawaja)
Member


(Shaukat Ali Kundi)
Member
01.11.10

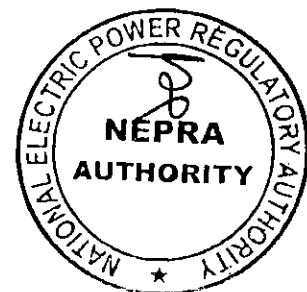

(Ghiasuddin Ahmed)
Member/Vice Chairman
11/11


(Khalid Saeed)
Chairman



Energy Procurement Report - Procurement
September 2010

S.No.	Power Producer	Fuel	Dep. Capacity MW	Energy MWh	Total Energy Cost Rs
	WARDA	Hyde	5415	3,664,962,427	1,111,743,037
	Jagran	Hyde	30	1,125,065	1,401,710
	Malkajgiri SHROF	Hyde	81.46	12,942,890	1,75,002,137
	Hyde Total		6555.46	1,676,630,257	1,307,947,465
2	GENCO-I				
	Jamshoro Block 1 Unit 1	RFO		75,011.05	151,000,246
	Jamshoro Block 2 Unit 2-4	RFO		30,855.864	393,348,806
	Jamshoro Block 3 Kotly 3-7	RFO		52,135.116	454,968,327
	Jamshoro Block 4 Kotly 1-2	RFO		4,101.030	11,914,342
	Prev. Adjustment				0
	Jamshoro Total		798.5	250,166,000	1,953,407,747
	GENCO-II				
	Central Block 1	RFO			0
	Guddu CC 11-13	Gas	390	1,105,661.06	214,741,632
	Central Block 2	Gas			0
	Guddu CC 5-10	Gas	530	309,779.191	148,344,770
	Central Block 3	RFO		3,421.033	44,279,178
	Guddu Steam 3-4	Gas	340	4,247,404	15,035,748
	Central Block 4	RFO			0
	Guddu Steam 1-2	Gas	140	4,115,117	11,544,149
	Prev. Adjustment				0
	Central Total		1400	395,260,201	1,499,545,580
	GENCO-III				
	Northern Block 1 MG Unit 1-3	RFO		201,060.136	2,340,616,497
	Northern Block 2 MG Unit 4	RFO		68,660.142	1,024,258,626
	Northern Block 3 MG Unit 5-6	RFO		1,910.026	5,557,802
	Northern Block 4 SPS FSD 3-7	RFO		41,620.117	540,617,658
	Northern Block 5 SPS FSD 1-2	RFO		362.010	1,840,882
	Northern Block 6 NGPS Multan 1-4	RFO		15,301.216	39,238,931
	Northern Block 7 NGPS Multan 1-4	RFO		9,350.026	151,758,952
	Northern Block 8 Shahra	RFO	1,630	10,104.100	520,731,429
	Guif Renta	RFO			0
	Renta Sumtandar	RFO			0
	Renta Bank	RFO			0
	Adjustment				0
	Northern Total		1,630	426,980,647	5,937,807,357
	GENCO-IV				
	Lahra Power	Coal	31.2		0
	GENCOs Total		4,067	1,072,407,043	8,491,110,604
3	Kot Addu Block 1				
	RFO			151,761,560	1,516,201,227
	Gas			26,556,000	107,525,772
	HSD				0
	Kot Addu Block 2				
	RFO			257,833,750	2,293,106,392
	Gas			76,001,185	329,869,156
	HSD				0
	Kot Addu Block 3				
	Gas			14,452,194	57,473,761
	HSD				0
	KAPCO Total		1336	476,610,000	4,313,875,308
	Hub Power	RFO	1,200	562,384,705	6,700,234,245
	Kohistan Energy	RFO	124	1,156,100	725,632,666
	AES Unit	RFO	100		0
	AES Paket	RFO	100		0
	Sooner Power	RFO	110	10,104,100	520,731,429



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NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
Energy Procurement Report (Phase 2)
September, 2010

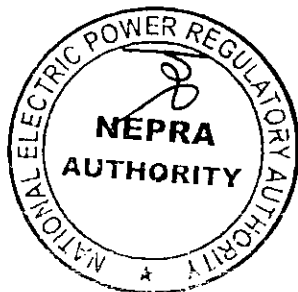
Sl. No.	Power Producer	Fuel	Gen. Capacity MW	Energy (KWh)	Total Energy Cost (Rs)
	Hatibulahi	Gas	126	45,150,489	257,214,880
	Hajjehachak	Gas	121	40,340,100	207,569,005
	Roussah	Gas	295	1,07,471,859	308,073,034
	Saba Power	RFO	126	22,571,400	265,425,809
	Japan Power	RFO	121	36,519,169	155,402,091
	Uch	Gas	551	150,220,700	950,029,315
	Altern	Gas	19	20,976,100	70,433,534
	Liberty	Gas	513	100,559,400	316,504,174
	Chashma Nuclear	Nucl	300	194,820,000	99,250,600
	Tavand Iran	Import	72	23,257,119	98,857,826
Sub-Total			5,524	2,471,464,113	16,322,480,606
	Attock Gen	RFO	156.18	101,273,549	1,036,954,601
	Atlas Honda	RFO	213.60	110,651,169	1,309,079,384
	Nisbat Power	RFO	100.20	128,400,104	1,267,548,228
	Foundation Power	Gas	177.00		0
	Orient	Gas	209.00	112,170,145	299,408,417
	Nisbat Chulhan	RFO	100.20	103,036,194	1,173,390,108
	Gulf Rents	RFO	72.90		0
	Sait Power	Gas	209.00	127,070,114	348,867,428
	Engro Energy	Gas	211.00	54,251,075	203,235,669
	Sapphire Power	Gas	210.00	74,351,104	196,158,702
	Hubco Narawa	RFO	205.00	662,651	6,096,669
	Liberty Power	RFO	200.00	74,551,165	151,962,139
Sub-Total			1,484	918,132,728	6,092,641,345
IPPs Total			7,008	3,389,596,841	22,415,121,951
4	TPS Quetta	Gas	25	18,493,400	108,451,000
	TPS Shandara	Gas			
	SPPs	Mixed	151	42,727,403	511,427,753
Others Total			176	64,220,803	619,878,753
Grand Total			17,568	8,202,804,531	32,830,048,772

Summary

1	Hydro			3,676,600,000	1,233,917,455
2	Coal				
3	MSF			9,280,600	151,758,952
4	FC			2,224,289,000	17,615,937,865
5	Gas			2,515,499,143	7,146,926,312
6	Nuclear			194,820,000	99,250,600
7	Import from Iran			23,257,119	98,857,826
8	Mixed			48,707,406	511,427,753
Grand Total				8,202,804,531	32,830,048,772

Energy Sale Price

Energy Cost (Rs)	32,830,048,772
EPP charged to IPPs (Rs)	36,138,357
EPP (Chargable) (Rs)	32,793,910,415
Energy Sold (KWh)	7,983,874,410
Avg Rate (Rs/KWh)	4,107,518



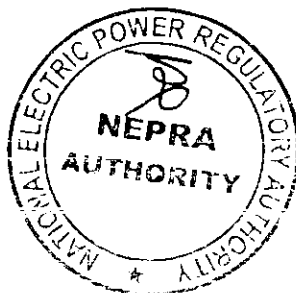
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Source Wise Generation

Sources	Reference		Actual	
	September 2010			
	GWh	%	GWh	%
Hydel	4,110	46.9%	3,677	44.8%
Coal	7	0.1%	-	0.0%
HSD	68	0.8%	9	0.1%
RFO	2,494	28.5%	2,234	27.2%
Gas	1,770	20.2%	2,016	24.6%
Nuclear	210	2.4%	195	2.4%
Import Iran	23	0.3%	23	0.3%
Mixed	78	0.9%	49	0.6%
Prev Adjust	-	0.0%	-	0.0%
Total	8,761	100.0%	8,203	100.0%
Sale to IPPs	-	0.0%	(2)	0.0%
Transmission Losses	(300)	-3.4%	(217)	-2.64%
Net Delivered	8,460	96.6%	7,984	97.3%

Source Wise Fuel Cost/Energy Purchase Price

Sources	Reference		Actual	
	September 2010			
	Mlns. Rs.	Rs./kWh	Mlns. Rs.	Rs./kWh
Hydel	1,586	0.39	1,304	0.35
Coal	18	2.70	-	-
HSD	924	13.56	152	16.23
RFO	24,581	9.85	22,776	10.19
Gas	5,473	3.09	6,832	3.39
Nuclear	107	0.51	99	0.51
Import Iran	95	4.05	99	4.29
Mixed	779	10.00	511	10.50
Prev Adjust	-	-	-	-
Total	33,564	3.83	31,773	3.87
Supplemental Charges	3,130	0.36	1,057	0.13
Sale to IPPs	-	-	(36)	(16.77)
Grand Total	36,693	4.19	32,794	4.00
Transmission Losses	-	0.15	-	0.11
Net Total	36,693	4.34	32,794	4.11





National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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Registrar

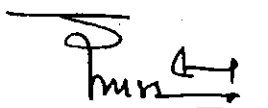
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November 02, 2010

1. Chief Executive Officer, FESCO.
2. Chief Executive Officer, GEPCO.
3. Chief Executive Officer, HESCO.
4. Chief Executive Officer, IESCO.
5. Chief Executive Officer, LESCO.
6. Chief Executive Officer, MEPCO.
7. Chief Executive Officer, PESCO.
8. Chief Executive Officer, QESCO.

Subject: Decision of the Authority in the matter of Fuel Charges Adjustment for the Month of September 2010 for XWDISCOs

The decision of the Authority on the subject has been sent to the Federal Government vide this office letter No. TRF-100/MFPA/3440-3442 dated 02.11.2010 for the purpose of notification of Fuel Charges Adjustment for XWDISCOs in the official Gazette. The copy of the same is sent herewith for your information and further necessary action, accordingly


(Syed Safer Hussain)

CC:

1. Managing Director, PEPCO, WAPDA House, Lahore.
2. Member (Power), WAPDA, WAPDA House, Lahore.
3. Chief Executive Officer, NTDC, 414 WAPDA House, Lahore.
4. Chief Operating Officer, CPPA, 107 WAPDA House, Lahore.
5. General Manager, WAPDA Power Privatization Organization (WPPO) of NTDC, 325 WAPDA House, Lahore
6. All Pakistan Textile Mills Association (APTMA) through Rashid Law Associates Attorneys & Corporate Consultants, 5th Floor, Ajmal House, 27-Egerton Road, Lahore.