



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

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Registrar

No. NEPRA/TRF-100/MFPA/2615-2617  
September 27, 2010

Subject: **Decision of the Authority in the matter of Fuel Charges Adjustment for the Month of August 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 1<sup>st</sup> 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 (05 pages) in respect of Fuel Charges Adjustment for the month of August 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.

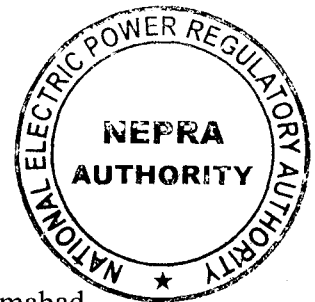
Encl: As above

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 AUGUST 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) and as per mechanism for monthly fuel price adjustment prescribed by NEPRA in the 1st quarterly tariff determination for the Ex-WAPDA Distribution Companies 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 whatsoever.
2. In order to carry out the above-said adjustment pertaining to the tariff of XWDISCOs for the month of August 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 accordance with the mechanism/formula prescribed by the Authority and notified in the official gazette by the Federal Government; 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 the fuel charges.
4. A date of hearing for the aforesaid purpose was fixed as 23<sup>rd</sup> September 2010 in the NEPRA main office; notice thereof was published in two leading national newspapers on 18<sup>th</sup> September 2010 inviting comments/objections from the concerned persons.
5. On the date fixed for hearing, representatives from Central Power Purchasing Agency (CPPA) and Wapda Private Power Organization (WPPO) 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 quarter. Further there was also no representation from the general public/consumers of electricity.
6. From the careful perusal of the information so provided by CPPA, it has been observed that the actual pool fuel charges of Rs. 3.77/kWh for the month of August 2010 decreased by Rs. 0.24/kWh (Annex-I&II) as compared to the reference fuel charges, i.e. Rs. 4.01/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. 759 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. 759 million to be passed on to the consumers. In this regard the impact of markup cost of Rs. 0.085/kWh is disallowed accordingly.





8. The Authority has, therefore, reviewed and assessed a decrease of Rs. 0.33/kWh towards fuel charges adjustment for the month of August 2010 as per the following:

Actual Fuel Charges Component for August 2010	Rs. 3.68/kWh
Corresponding Reference Fuel Charges Component (Determined)	Rs. 4.01/kWh
Fuel Charges Variation for the month of August 2010	(-) Rs. 0.33/kWh

9. The reviewed fuel adjustment charges of (-) Rs.0.33/kWh for the month of August 2010 is lower by Rs. 0.59/kWh than the adjustment of Rs. 0.26/kWh for the month of July 2010; therefore, effectively there will be a decrease of Rs. 0.59/kWh in the bill of the consumers on account of fuel adjustment charges as compared to the month of July 2010.
10. In the light of the observations made in paragraph 7 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 8 above ;
- shall be applicable to all the consumer categories except lifeline consumers of all the DISCOs;
  - shall be shown separately in the consumers' bill on the basis of units billed to the consumer in the month of August 2010.

AUTHORITY

on leave

(Zafar Ali Khan)  
Member

(Maqbool Ahmad Khawaja)  
Member

Shaukat Ali Kundi

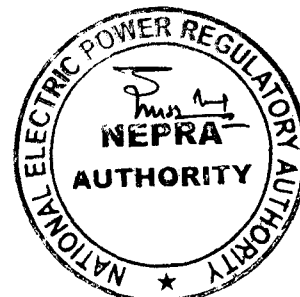
(Shaukat Ali Kundi)  
Member

24/9/2010

Ghiasuddin Ahmed

(Ghiasuddin Ahmed)  
Vice Chairman

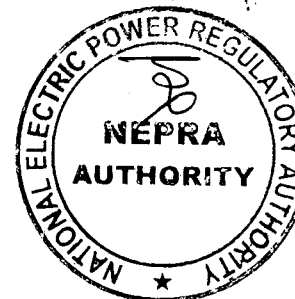
(Khalid Saeed)  
Chairman



CENTRAL POWER PURCHASING AGENCY (CPPA)  
Energy Procurement Report (Provisional)

August, 2010

S.No.	Power Producer	Fuel	Energy KWh	Total Energy Cost (Rs.)	
1	<i>Hydel</i>				
	i WAPDA	Hydel	4,252,726,983	1,312,816,820	
	ii Jagran	Hydel	(1,179,860)	-2,357,360	
	iii Malakund-III SHYDO	Hydel	4,563,600	178,618,375	
	<b>Hydel Total:</b>		<b>4,256,110,723</b>	<b>1,489,077,834</b>	
2	<b>Ex-WAPDA GENCOs</b>				
	<b>i GENCO-I</b>				
	Jamshoro Block 1	RFO	105,825,000	1,148,001,545	
	Unit 1	GAS	-	0	
	Jamshoro Block 2	RFO	71,280,425	904,898,344	
	Unit 2-4	Gas	126,689,575	625,099,030	
	Jamshoro Block 3	RFO	-	0	
	Kotry 3-7	Gas	52,884,460	232,503,520	
	Jamshoro Block 4	Gas	-	0	
	Kotry 1-2	Gas	1,635,540	13,564,187	
	Prev. Adjustment		-	0	
		<b>Jamshoro Total</b>		<b>358,315,000</b>	<b>2,924,066,626</b>
		<b>ii GENCO-II</b>			
	Central Block 1	RFO	-	0	
	Guddu CC 11-13	Gas	134,376,805	447,447,886	
	Central Block 2	Gas	-	0	
	Guddu CC 5-10	Gas	201,593,389	744,282,792	
	Central Block 3	RFO	6,691,279	85,596,848	
	Guddu Steam 3-4	Gas	20,068,767	88,635,716	
	Central Block 4	F.O.	-	0	
	Guddu Steam 1-2	Gas	53,273,160	251,822,228	
	Prev. Adjustment		-	0	
		<b>Central Total</b>		<b>416,003,400</b>	<b>1,617,785,469</b>
		<b>iii GENCO-III</b>			
	Northern Block 1	RFO	179,251,408	2,037,825,039	
	MG Unit 1-3	Gas	896,160	3,829,381	
	Northern Block 2	RFO	42,813,543	488,331,272	
	MG Unit 4	GAS	(287,231)	-1,216,538	
	Northern Block 3	RFO	56,829,177	725,489,183	
	MG Unit 5-6	Gas	61,953	298,155	
	Northern Block 4	F.O.	-	0	
	GTPS FSD 5-9	GAS	60,513,891	206,297,906	
		HSD	2,515,548	40,826,841	
Northern Block 5	RFO	20,516,000	308,230,092		
SPS FSD 1-2	GAS	-	0		
Northern Block 6	RFO	-	0		
GTPS FSD 1-4	GAS	4,286,561	26,044,716		
	HSD	-	0		
Northern Block 7	RFO	2,572,400	37,891,091		
NGPS Multan 1-4	GAS	-	0		
Northern Block 8	F.O.	-	0		
Shahdra	Gas	(64,540)	-387,654		
Gulf Rental	RFO	33,045,735	346,726,020		
Rental Summandari	Gas	-	0		
Rental Bhiki	Gas	-	0		
Adjustment		-	0		
	<b>Northern Total:</b>		<b>402,950,605</b>	<b>4,220,185,504</b>	
	<b>iv GENCO-IV</b>				
Lakhra Power	Coal	-	0		
	<b>GENCOs Total:-</b>		<b>1,177,269,005</b>	<b>8,762,037,599</b>	
3	<b>IPPs</b>				
1	Kot Addu Block 1	RFO	161,676,200	1,376,205,871	
		Gas	55,989,700	158,732,527	
		HSD	-	0	
	Kot Addu Block 2	RFO	92,157,300	915,048,651	
		Gas	83,636,200	261,256,932	
		HSD	-	0	
	Kot Addu Block 3	Gas	8,583,600	29,476,027	
		HSD	-	0	
		<b>KAPCO Total</b>		<b>402,043,000</b>	<b>2,740,720,008</b>



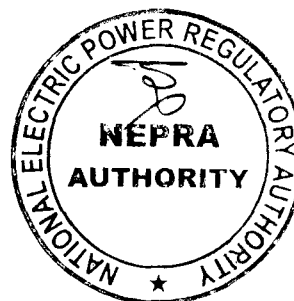
CENTRAL POWER PURCHASING AGENCY (CPPA)  
Energy Procurement Report (Provisional)

August, 2010

S.No.	Power Producer	Fuel	Energy KWh	Total Energy Cost (Rs.)
2	Hub Power	RFO	737,962,600	7,954,080,773
3	Kohlnoor Energy	RFO	68,671,000	655,823,686
4	AES Lalpir	RFO	0	53,685,190
5	AES Pakgen	RFO	0	44,305,500
6	Southern Power	RFO	49,077,930	483,975,237
7	Habibullah	Gas	83,557,290	253,540,293
8	Fauji Kabirwala	Gas	89,891,000	307,056,596
9	Rousch	Gas	275,330,710	834,571,591
10	Saba Power	RFO	34,878,039	354,079,225
11	Japan Power	RFO	31,446,000	312,313,454
12	Uch	Gas	367,400,000	886,957,364
13	Altern	Gas	19,437,400	69,583,796
14	Liberty	Gas	140,005,000	1,020,897,994
15	Chashma Nuclear	Nucl.	214,980,000	109,532,310
16	Tavanir Iran	import	23,602,624	99,098,845
Sub-Total:			2,538,282,593	16,180,221,862
1	Attock-Gen	RFO	102,513,788	1,041,421,271
2	Atlas-Honda	RFO	137,123,184	1,290,807,577
3	Nishat Power	RFO	134,503,727	1,229,072,347
4	Foundation Power	Gas	-	0
5	Orient	Gas	132,336,000	351,076,404
6	Nishat Chunian	RFO	131,508,994	1,194,475,975
7	Saif Power	Gas	134,424,166	374,453,380
8	Engro Energy	Gas	130,938,769	391,223,877
9	Saphire Power	Gas	2,194,550	5,452,969
Sub-Total:			905,543,178	5,877,983,800
IPPs Total:-			3,443,825,771	22,058,205,662
4	Others			
i.	TPS-Quetta	Gas	15,657,000	109,599,000
ii.	TPS-Shahdara	Gas	(64,540)	(387,654)
iii.	SPPs	Mixed	47,982,957	503,821,049
Others Total			63,575,417	613,032,394
G-Total			8,940,780,916	32,922,353,490
<b>Summary</b>				
	Hydel		4,256,110,723	1,489,077,834
	Coal		-	-
	HSD		2,515,548	40,826,841
	F.O.		2,200,343,729	22,988,284,191
	Gas		2,195,245,335	7,691,712,421
	Nuclear		214,980,000	109,532,310
	Import from Iran		23,602,624	99,098,845
	Mixed		47,982,957	503,821,049
	Prev. Adjustment		-	-
Grand Total			8,940,780,916	32,922,353,490

## Energy Sale Price

Energy Cost (Rs.)	32,922,353,490
EPP charged to IPPs (Rs.)	41,594,233
EPP (Chargable) (Rs.)	32,880,759,257
Energy Sold (KWh)	8,729,139,097
Avg. Rate (Rs./KWh)	3.766781



## Source Wise Generation

Sources	Reference		Actual	
	August 2010			
	GWh	%	GWh	%
Hydel	4,159	46.1%	4,256	47.6%
Coal	9	0.1%	-	0.0%
HSD	62	0.7%	3	0.0%
RFO	2,546	28.2%	2,200	24.6%
Gas	1,938	21.5%	2,195	24.6%
Nuclear	202	2.2%	215	2.4%
Import Iran	24	0.3%	24	0.3%
Mixed	82	0.9%	48	0.5%
Prev Adjust	-	0.0%	-	0.0%
<b>Total</b>	<b>9,023</b>	<b>100.0%</b>	<b>8,941</b>	<b>100.0%</b>
Sale to IPPs	-	0.0%	(2)	0.0%
Transmission Losses	(292)	-3.2%	(210)	-2.3%
Net Delivered	<b>8,730</b>	<b>96.8%</b>	<b>8,729</b>	<b>97.6%</b>

## Source Wise Fuel Cost/Energy Purchase Price

Sources	Reference		Actual	
	August 2010			
	Mlns. Rs.	Rs./kWh	Mlns. Rs.	Rs./kWh
Hydel	1,588	0.38	1,489	0.35
Coal	25	2.70	-	-
HSD	795	12.81	41	16.23
RFO	22,787	8.95	22,182	10.08
Gas	6,025	3.11	7,653	3.49
Nuclear	103	0.51	110	0.51
Import Iran	98	4.05	101	4.29
Mixed	817	10.00	504	10.50
Prev Adjust	-	-	-	-
<b>Total</b>	<b>32,238</b>	<b>3.57</b>	<b>32,080</b>	<b>3.59</b>
Supplemental Charges	2,735	0.30	843	0.09
Sale to IPPs	-	-	(42)	(26.12)
<b>Grand Total</b>	<b>34,973</b>	<b>3.88</b>	<b>32,881</b>	<b>3.68</b>
Transmission Losses	-	0.13	-	0.09
<b>Net Total</b>	<b>34,973</b>	<b>4.01</b>	<b>32,881</b>	<b>3.77</b>