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No. NEPRA/R/TRF-100/MFPA/6004-6022

May 3, 2016

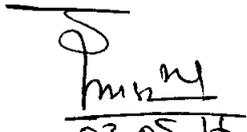
1. Chief Executive Officer, FESCO, Faisalabad.
2. Chief Executive Officer, GEPCO, Gujranwala.
3. Chief Executive Officer, HESCO, Hyderabad.
4. Chief Executive Officer, IESCO, Islamabad.
5. Chief Executive Officer, LESCO, Lahore.
6. Chief Executive Officer, MEPCO, Multan.
7. Chief Executive Officer, PESCO, Peshawar.
8. Chief Executive Officer, QESCO, Quetta
9. Chief Executive Officer, SEPCO, Sukkur.
10. Chief Executive Officer, TESCO, Peshawar.

Subject: **Decision of the Authority in the matter of Fuel Charges Adjustment for the Month of March 2016 for XWDISCOs along with Notification Thereof**

Enclosed please find herewith copy of the decision of the Authority (21 pages) regarding adjustment in fuel charges in respect of Ex-WAPDA Distribution Companies for the month of March 2016 alongwith its Notification i.e. S.R.O 383(I)/2016 dated 02.05.2016.

2. XWDISCOs are directed that while charging the fuel charges adjustment from their consumers, the Order of the Honourable Court(s), if any, be kept in mind and ensure compliance with the Order(s) of the Court(s), whatsoever, in this regard. In case of non-compliance of Courts Order the concerned DISCO shall be held responsible for violating / defying the orders of the Honourable Court(s).

Enclosure: As above (Decision alongwith Notification is also available on NEPRA's website)


03.05.16
(Syed Safer Hussain)

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Water & Power, 'A' Block, Pak Secretariat, Islamabad.
3. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
4. Managing Director, PEPCO, WAPDA House, Lahore.
5. Member (Power), WAPDA, WAPDA House, Lahore.
6. Managing Director, NTDC, 414 WAPDA House, Lahore.
7. Registrar, Supreme Court of Pakistan, Islamabad.
8. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited
6th Floor, Shaheed-e-Millat Secretariat, Jinnah Avenue, Blue Area, Islamabad
9. General Manager, WAPDA Power Privatization Organization (WPPO) of NTDC, Lahore.



**DECISION OF THE AUTHORITY IN THE MATTER OF FUEL CHARGES
ADJUSTMENT FOR THE MONTH OF MARCH 2016 FOR EX-WAPDA DISCOS**

1. Pursuant to the provisions of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997, (NEPRA Act) read with the mechanism/formula determined by the Authority in the tariff determinations for Ex-WAPDA DISCOs for the Financial Year 2014-15, the Authority has to make adjustments in the approved tariff on account of any variations in the fuel charges on a monthly basis.
2. In order to make adjustments in the approved tariff of the Ex-WAPDA DISCOs due to variations in the fuel charges for the month of March 2016, necessary information as to the details of the actual fuel charges etc. was obtained from Central Power Purchasing Agency Guarantee Limited (CPPA-G).
3. Notwithstanding the fact that the monthly adjustment on account of fuel charges variation is made in pursuance of the provisions of section 31(4) of the NEPRA Act as well as on the basis of a mechanism/formula already determined by the Authority in its annual tariff determinations for Ex-WAPDA DISCOS, yet the impact of such adjustments, if any, is to be paid by the consumers of electricity, therefore, the salient features and details of the proposed adjustments in the approved tariff were published in newspapers on April 21, 2016 and also uploaded on NEPRA's Website for information of all concerned. In order to provide an opportunity of hearing to all concerned and to meet the ends of natural justice, the Authority decided to conduct a public hearing on the issue on April 26, 2016 at NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad. The date of hearing was mentioned in the advertisement published in newspapers and also uploaded on NEPRA's website whereby participation in the hearing and filing of comments/objections from any interested person were invited. Separate notices were also sent to the interested / affected parties.

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4. On the date fixed for the hearing, representatives from CPPA-G, National Power Control Center (NPCC), NTDC and media were present; however, no representative from WAPDA Power Privatization Organization (WPPO), Sui Southern Gas Company Limited (SSGCL), Sui Northern Gas Pipelines Limited (SNGPL), Ministry of Water & Power and Ministry of Finance attended the hearing despite service of notice. Written Comments were received from M/s Anwar Kamal Law Associates (AKLA).

5. A brief of the points raised by AKLA, *inter alia*, relevant to monthly Fuel Charges Adjustment (FCA) are as under;
 - i. The projections of Fuel Prices are on the higher side while setting up of reference fuel price in consumer end tariff to favor the distribution companies to enable them to over recover from the consumers and enjoy the benefits of over-recovered amount with impunity and with no return to the consumers. AKLA in this regard has suggested to introduce the same FCA mechanism as is provided in the K-Electric Consumer end-tariff. AKLA, in support of its argument with regard to projection of NEPRA to determine higher Reference Fuel Cost component in consumer-end Tariff, submitted a comparison of the plant wise actual generation vis a vis projection by NEPRA for the period from January 2014 to February 2016.

 - ii. NEPRA has failed to determine the consumer end tariff of DISCOs in timely manner. The late determination and notification of tariff means that the previously determined higher Tariff, which is continuously decreasing for the last three years due to decrease in oil prices in the International Market, is causing loss to the consumers and gain to the DISCOs on the principle of time value of money. NEPRA should have amended the Schedule-IV, which is same for all DISCOs, and Generation Mix, which is prepared at one CPPA-G level, forthwith. AKLA in support of its submissions also provided a year





wise detail of dates of consumer-end Tariff determination by NEPRA for various DISCOs for the last five years.

- iii. There is delay in deciding the monthly FCAs by the Authority. The processing of FCA for the month of March 2016 beyond 7th of April 2016 is gross violation of the provisions of NEPRA Law (Section 31(4)) and is against the interest of the consumers and favors the power purchaser when DISCOs have to refund the over recovered amount to the consumers. There is no reason for non-submission of data by CPPA-G by 5th of every month as it has the reading of electricity at 24:00 hours on the last day of the respective month and Fuel Cost Component (FCC) of each power plant has already been determined by NEPRA.
- iv. That NEPRA has allowed adjustment of RLNG price without having notified mechanism.
- v. That NEPRA allowed cost of test electricity supplied by Nandipur Power Plant without financial, legal and technical scrutiny.
- vi. That NEPRA allowed the amount of GIDC in advance of its payment by the Power Purchaser to Power Producers.
- vii. That NEPRA allowed DISCOs or the Power Purchaser to retain extra amount by not extending the benefit of FCA to consumers using electricity upto 300 units. Not passing-on this benefit to consumers means an illegal collection of the amount from their consumers, by DISCOS, over and above their allowed Revenue Requirement. To implement the Government Policy of not passing-on the benefit of negative FCA to consumers using electricity up to 300 units, needs modification in the consumer-end Tariff because implementation of this Policy will result in over-recovery by the DISCOs, however, NEPRA



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implemented the same without any modification in the Tariff Determinations. NEPRA, through tariff determination of 2015-16, decided that the over-recovered amount on this head must be adjusted by GOP, against the overall burden of the Tariff Differential Subsidy, which is not justified as it is a favor to someone at the consumers' expense.

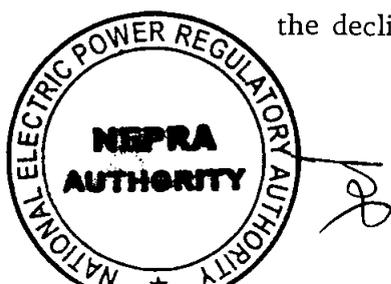
- viii. AKLA also highlighted the issue of underutilization of power plants by mentioning that the Authority itself acknowledged that expensive electricity was generated by using RLNG based Power Plants while not utilizing the cheaper RFO based Power Plants, therefore, the burden of non-prudent cost should not have been passed-on to the consumers and the case should be referred to the Investigating Agencies. Non-operation of available Electricity Generation Capacity and giving preference to load-shedding to unduly protect electricity suppliers against losses due to their in-efficiencies is illegal, immoral and un-ethical. AKLA also stated that now it is an admitted position that available power plants were not utilized to their full capacity. Wind and Solar Power Plants have also supplied electricity to the system as shown in the generation data sheets. The cost of electricity supplied by Wind and Solar Plants is higher than the cost of electricity of the power plants (except few) which were not utilized or under-utilized due to fuel constraints. The non-utilized or under-utilized power plants will get capacity payments as the nature of their PPA is take or pay, which is against the interest of the consumers on account of load shedding and is also against the interest of Country's economy.
- ix. AKLA further submitted that giving dispatch to costlier plants like solar and wind without using comparatively cheaper underutilized plants is against the principle of Economic Merit Order. AKLA in support of its claim submitted a plant wise utilization factor for the last thirty eight months.



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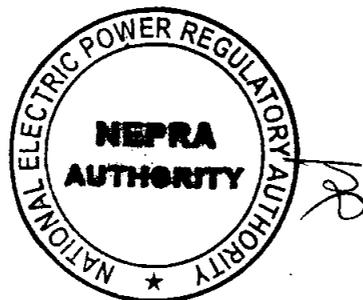
- x. AKLA has also submitted that few plants have supplied electricity beyond their dependable capacity meaning thereby that these plants were over-utilized.
 - xi. AKLA has mentioned that huge amounts are appearing under the head of Previous Adjustments, but details of these adjustments are not given.
 - xii. AKLA has also submitted its concern regarding operation of plants on partial load and open cycle.
 - xiii. Non-supply of electricity from Saba, SEPCOL and Japan Power despite the fact that consumers have already paid the loan amount.
 - xiv. Supply of energy from Plants without having valid Generation Licenses from NEPRA.
6. The concerns so raised by AKLA have been considered by the Authority and it is of the view that Fuel Price projections for determining of reference fuel cost component in consumer end tariff of Distribution companies, are made on the best estimates keeping in view the past trends and available national / international reports for future projections of oil prices. Since the variation in fuel prices depends upon many factors and it is not possible to apprehend and foresee all of them. In view of the aforesaid reason, the fuel price adjustment mechanism is prescribed so that neither the consumers nor the DISCOs suffer on account of downward or upward variation in fuel prices since the Authority cannot change its projection on mark to mark basis and in case of any variation in fuel prices with that of reference prices, the same is either recovered from the consumers or benefit of the same is passed on to the consumers through monthly FCA. Therefore, the Authority considers that the AKLA's observation in this regard having no bearing on the consumers is not valid. The Authority being cognizant of the declining trend of fuel prices has already taken into account this reduction





while setting up the reference fuel prices pertaining to FY 2015-16. The actual average RFO prices during the FY 2014-15 remained at around Rs. 56,121 [excluding Sales Tax and including freight] per metric ton and came to a lower level of Rs. 40,411 per metric ton. The RFO prices in Pakistan are not only affected by the international market but also by the exchange rate parity. Based on the international market condition, it can be presumed that this lower trend shall continue in the future as well, consequently, for the FY 2015-16, RFO prices have been assumed on an average of Rs.47,981 per metric ton [excluding Sales Tax and including freight] after incorporating the possible determinants of RFO prices. Similarly the HSD prices for the FY 2015-16, have been assumed on an average of Rs.61.29 per litre [excluding Sales Tax], keeping in view the declining trend of HSD price in FY 2014-15, which remained on average Rs.76.89 per litre during the FY 2014-15.

7. The Authority also noted that monthly adjustment on account of Fuel Cost variations is done in accordance with the mechanism / formula prescribed by the answering respondent and notified in the official gazette and impact of such adjustment either increase or decrease, is passed on to the consumers of electricity. The mechanism / formula is determined by the Authority through a detailed and comprehensive determination and prior to such determination, replies, comments, objections etc. were invited from any interested persons, however, the commentator did not contest on the issue, in those proceedings, therefore, now the commentator is estopped to raise those concerns at the time of adjustment being done in accordance with the formula already settled through legal proceedings.
8. The Authority, on the issue of late determination of tariff observed that Section 16 (2) of the NEPRA Tariff Standard & Procedure Rules, 1998 provides;



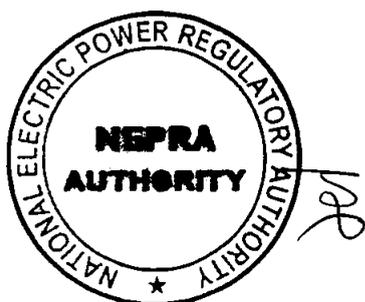


"The Authority shall decide a petition within four months of the date of admission of the petition:

Provided that the Authority may, only for causes beyond its control including, without limitation, the failure by any person to comply with the provisions of these rules or the orders and directions of the Authority, extend the aforesaid four months period by a further period of one month:

Provided further that, the Authority shall not extend the time for its final determination in proceedings beyond an aggregate period of four months."

9. The Authority has observed that all the determinations in respect of XWDISCOs have been issued within the timelines prescribed under the Rules. Therefore the point of AKLA for delay on part of NEPRA in determination of tariff is not justified.
10. The Authority also considers that the Tariff Standard & Procedures Rules 1998 (The Rules) do not provide any time frame for submission of the Tariff Petitions. The Intervener has rightly stated that the tariff for any particular year should be determined prior to start of the year, therefore, in order to ensure timely determination of consumer end tariff, the Authority has issued the NEPRA guidelines for determination of consumer-end tariff (Methodology & Process) notified vide SRO. 34(I) 2015 dated 16.01.2015, wherein, timelines for the submission of Tariff Petitions have been prescribed.
11. The Authority has observed that there is no delay on the part of NEPRA in processing of the monthly FCA. The decision in the matter of FCA for the month of February 2016 was issued on April 04, 2016 within four working days of the conduct of hearing. Similarly for the month of March 2016, the decision is being issued without any delay to ensure that benefit of reduction in fuel prices is passed on to the consumers in the month of May 2016.





12. The Authority also understands that neither conduct of hearing nor filing of intervention requests etc. is a pre-requisite for the purposes of making fuel charges adjustments, however, the same is being done in pursuance of the Order of the Honorable Lahore High Court, wherein, the question pertaining to "fuel adjustments" was settled as under:-

"There can be no escape from the fact that any adjustment would affect the rights of the consumers. Even if the provisions for publication of notice, intervention or participation of commentators, were not directly applicable, yet the principle of natural justice necessarily be read in every statute, and no order could be passed without affording opportunity of hearing to the persons likely to be affected."

13. Since the impact of any adjustment is to be passed on to the consumers, therefore, in order to meet the ends of natural justice, public hearing is held and written / oral comments or objections are invited from the interested / affected parties before making any adjustments, which requires additional time. Thus, no unnecessary delay is involved in processing of the monthly FCA on the part of the Authority.

14. At the same time, the Authority is also cognizant of the late submission of FCA requests by CPPA-G and had issued a show cause notice to CPPA/ NTDC on August 27, 2015 under Rule 4 (8) & (9) of the NEPRA (Fines) Rules, 2002, based on the analysis of data provided by CPPA / NTDC for the period from January 2014 to April 2015. Consequent to the unsatisfactory response of CPPA/ NTDC to the show cause notice, the Authority declared NTDC/CPPA a delinquent for deliberately violating the explicit directions of the Authority regarding submission of the Fuel Price Adjustment data in the specified time period and has imposed a fine of Rs.1,000,000/- (Rupees One Million Only) on CPPA/ NTDC.

15. AKLA has rightly submitted that the existing determinations of the IPPs using RLNG does not provide any mechanism for RLNG usage and its consequential





price adjustment. Accordingly, in order to prescribe the adjustment mechanism for determination of fuel cost component on the basis of RLNG, the Authority decided to treat request of such IPPs regarding revision of their Fuel Cost Component, based on RLNG price, as a Petition and has initiated proceedings in this regard. However, while admitting these petitions, the Authority also decided to allow immediate application for adjustment in the Fuel Cost Component on the basis of RLNG Price (Provisional), as notified by OGRA, in terms of Rule 4(7) of Tariff Standards & Procedures Rules 1998, subject to the order of refund for the protection of the consumers, while the proceedings for devising the fuel price adjustment are pending before the Authority. The adjustment has been allowed on provisional basis, subject to adjustment once the proceedings are finalized. This is to be noted that NEPRA has to protect the interest of consumers as well as the investors in terms of Section 7 (6) of the NEPR Act. Since the Fuel cost has huge financial impact, therefore, delaying the adjustment would have been unjust to the power producers. It would have resulted in shut down of the plants, which would have been against the consumers' interest.

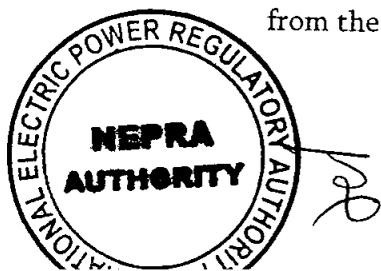
16. The Authority noted that the issue regarding adjustment of fuel cost of energy delivered by Nandipur has been discussed in detail and with reasonable clarity in the Authority's monthly FCA decision of February 2016, which is available on NEPRA's website, therefore, need not to be repeated here again.
17. On the issue of deduction of GIDC amount from Fuel Charges Adjustment, the Authority noted that it has already issued its detailed decision in the matter of GIDC vide No. NEPRA/TRF-72/EPQL-2007/9672-9674 dated June 25, 2015, which is available on NEPRA's website, therefore, need not to be discussed again.
18. The Authority on the point of not passing on the benefit of negative monthly FCA to the domestic consumers using up-to 300 units of electricity, observed that





although the Authority has already discussed this issue in detail in its monthly FCA decision for the month of March 2015, under para 17 to 20, wherein complete reasons / justification for the same have been provided, however, for information of the stakeholders it is again mentioned that as per the previous practice, the impact of any decrease in (negative) monthly FCA, was not passed on to the Life line and Agriculture Consumers of XWDISCOs. The same relief was adjusted by the Authority in the annual tariff determinations of XWDISCOs, through the Prior Year Adjustment mechanism, whereby the impact of such amount is adjusted in the tariff design across all the consumer categories.

19. MoWP vide its letter No.5-PF/02/2013-Subsidy dated May 21, 2015 issued the policy guidelines under Section 31 (4) of the NEPRA Act, 1997 with regard to the Fuel Charge Adjustments and subsidy rationalization of Ex-WAPDA Distribution Companies.
20. MoWP in its aforementioned policy guidelines, inter alia, mentioned that ECC of the Cabinet has been pleased to approve the issuance of the following Policy Guidelines under Section 31 (4) of the NEPRA Act, 1997 on 21.05.2015 i.e. that
"Any negative adjustment on account of monthly FCA will not be passed on to the Domestic consumers who have subsidized electricity tariff."
21. The Authority considered the policy guidelines of the GoP with respect to the Fuel Price Adjustment being consistent with the GoP Policy for phasing out the subsidy which are also consistent with the standards and guidelines as per Rule 17 of Tariff Standards and Procedure Rules -1998.
22. Accordingly, the Authority decided that any negative monthly FCA shall not be applicable to lifeline consumers, domestic consumers consuming up to 300 units and Agriculture Consumers of all the XWDISCOs, who are already getting subsidy from the Government.





23. The Authority in view of the above referred policy guidelines of GoP regarding rationalization of subsidy in the matter of XWDISCOs, has decided not to adjust the impact of negative FCA across different consumer categories, as it was doing in the past. Thus, the negative FPA impact on lifeline consumers, domestic consumers (consuming upto 300 units) and Agriculture Consumers, must be adjusted by GoP, against the overall Tariff Differential Subsidy claim, eventually reducing GOP's overall Tariff Differential Subsidy burden.
24. The Authority being already cognizant of the issues of plant utilization, economic merit order had issued certain directions to CPPA-G / NTDC in its previous FCA decisions regarding Economic Merit Order, Underutilization of Plants and provision of real time access of NPCC's data. The Authority observed that these issues have been taken up with CPPA-G / NTDC separately and proceedings in this regard are under process.
25. The Authority on the issue regarding details of amount appearing under head previous adjustment observed that generator wise detail of amount charged under the head previous adjustments as submitted by CPPA-G is presented during the hearing, therefore, the point raised by AKLA does not merit consideration.
26. The Authority on the issue of partial load adjustment charges noted that NPCC (NTDC) has provided a certificate to the effect that claimed Partial Loading Adjustment Charges (PLAC) are due to less demand in the system and system constraints, meaning thereby that there is no load shedding in the country, which however, is not the actual state of affairs.
27. The Authority noted that other issues highlighted by AKLA like payment of Capacity Charges, induction of non-base load high cost solar & wind power plants, grant of generation license to dual fuel (Gas & HSD) Power Plants, allowing conversion of old in-efficient power plants from RFO to Coal, GST, setting-up of



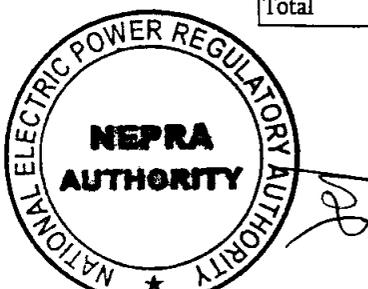


imported coal power plants in mid country do not pertain to the Fuel Price Adjustment and therefore cannot be considered here.

28. The Authority has gone through the information provided by CPPA-G seeking monthly fuel adjustment and due diligence is also done accordingly. From perusal of the information so provided by CPPA-G, the actual pool fuel charge for the month of March 2016 is Rs.5.3122/kWh, against the reference fuel cost component of Rs.8.0985/kWh as indicated in the Annexure-IV of the Authority's determination pertaining to the Ex-WAPDA DISCOs for FY 2014-15. The actual fuel charges for the month of March 2016 decreased by Rs.2.7863/kWh (Annex-I&II) as compared to the reference fuel charges.
29. CPPA-G in the instant FCA request has included an amount of Rs.10,045.11 million on account of GIDC adjustment, previous adjustment and supplemental charges. CPPA-G afterwards revised the aforementioned amount to Rs.10,037.89 million owing to rectification of some calculation error. Upon inquiry CPPA-G submitted that the claimed amount primarily included GIDC amounting to Rs.7,968.31 million besides Rs.841 million for the supplemental charges and Rs.1,228.65 million pertaining to the previous adjustments. CPPA-G provided the following detail in this regard;

Previous Adjustments

Description	Prev. Adjustment	Remarks
FKPCL	875.47	Rates Revision by OGRA vide its notification dated Dec 28, 2015 of LBTU Gas from Rs. 368.15 to 488.23 from Dec 19, 2014 to 31 Aug, 2015 and further revision upto Rs. 600.00 from 1 Sep, 2015 to 31 Dec, 2015.
Atlas Power	70.10	Diff. from Jul-14 to Jun-15 due to revision of CV
Foundation Power	109.23	Mimimum Energy Shortfall Payment for Feb-16
Engro Energy	448.89	Shortfall energy costfor Feb-16.
Hubco NWL	82.68	Diff. from Jul-14 to Jun-15 due to revision of CV
Uch-II	26.51	Federal Excise Duty
GENCOs	-384.24	
Total	1,228.65	



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GIDC Charges

(Mill.Rs.)

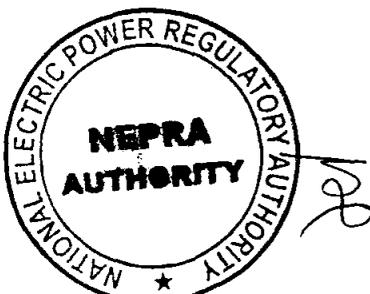
SR.#	IPPs Name	GIDC Claims Approved	NEPRA Allowed GIDC (FCA Apr & May, 15)	GIDC To Be Adjusted
1	Engro	2,023	2,400	(377)
2	Foundation	1,850	2,300	(450)
3	Halmore Power	247	445	(198)
4	Orient Power	379	434	(55)
5	Saif Power Ltd.	388	462	(74)
6	Sapphire	363	424	(61)
7	Rousch Power	3,660	3,992	(332)
8	Habibullah	603	644	(41)
9	Uch	5,230	-	5,230
10	Uch-II	2,061	-	2,061
11	Liberty Power	570	-	570
12	AEL	309	-	309
13	Davis Energon	87	-	87
14	FKPCL	1,257	-	1,257
15	KAPCO	43	-	43
	TOTAL	19,069	11,101	7,968

30. Accordingly, for working out the instant FCA i.e. March 2016, the Authority has decided to allow the amount of Rs.10,037.89 million.

31. The Authority observed that CPPA-G also claimed minimum energy shortfall payment for both the Engro Energy and Uch-II Power Plants, as per their respective PPAs, in the FCA request of March 2016.

32. The Authority also observed that CPPA-G previously in its FCA request for the month of February 2016 had claimed an amount of Rs.448.887 million on account of minimum energy shortfall payment for the Engro Energy. However, the same was not allowed since CPPA-G did not substantiate its claim with any supporting evidence /workings.

4. Pursuant to the Authority's aforementioned decision, CPPA-G vide its letter dated April 07, 2016 has submitted the following in respect of Engro Energy;





“That the plant was kept on standby mode by NPCC during February 2016 (due to force majeure at grid station). As per clause 6.3 of the PPA, between NTDC and Engro Energy (Pvt.) Ltd., the Power Purchaser is obligated to take or pay a minimum amount of energy every month during the term of the agreement. If it does not take such minimum monthly energy in a month, it will be required to make a minimum energy shortfall payment.

It is further added that such minimum energy shortfall payment is treated as payment for banked energy, which may be drawn upon in any month within the same agreement year plus four months immediately thereafter provided that the Power Purchaser has first fulfilled the minimum monthly energy requirement in that month during which such banked energy is proposed to be drawn.

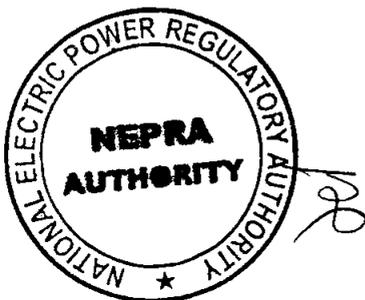
Any shortfall energy payment without taking energy in any month shall be adjusted in the following months. There is no additional burden on the end consumer. Therefore payment of Rs.448.887 million to Engro energy is in line with the terms of PPA. Hence it is requested to adjust these payments in current month fuel price adjustment.”

33. The Authority in view of the aforementioned explanation of CPPA-G has decided to allow the amount of Rs.448.887 million which was disallowed in February 2016 in respect of Engro Energy and the amounts claimed during March 2016 for both the Engro Energy and Uch-II Power Plants in this regard.
34. The Authority noted that CPPA-G has worked out the Fuel cost of Nandipur for the month of March 2016 based on FCC of Rs.6.8351/kWh, whereas the Authority's approved FCC in respect of Nandipur w.e.f. 15th March 2016 is Rs.4.5247/kWh. Accordingly, for the instant FCA adjustment of March 2016, fuel cost of Nandipur has been provisionally worked out at FCC of Rs.4.5247/kWh.
35. The Authority further noted with great concern that CPPA-G has purchased 7.644 GWh from TPS Quetta in the month of March 2016 having a fuel cost of Rs.65.738 million, which is not a licensee of NEPRA. The Authority had been directing CPPA-G /NTDC, in its previous FCA decisions, to force the GENCO to obtain the generation license. CPPA-G in this regard submitted that it had no Authority to



disconnect any energy that is added to the National Grid to meet up the shortfall in the System and also to maintain the system. CPPA-G also mentioned that the matter had already been taken-up with the concerned GENCO. The Authority in view of the non-compliance of its direction has decided not to consider the fuel cost of energy purchased from TPS Quetta while working out the FCA of March 2016.

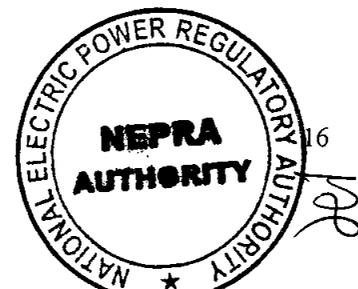
36. As per details provided by CPPA-G, 19.884 GWh were purchased by XWDISCOs from small and captive power plants. CPPA-G provided actual details of energy purchased from these plants. According to the details provided by CPPA-G, the actual fuel cost of this energy is Rs.139.78 million, however, the same works out to be Rs.139.74 million as per NEPRA approved rates. Accordingly for the instant adjustment, cost of Rs.139.74 million has been considered on account of fuel cost component of energy purchased from small and captive power plants. Further, the fuel cost of JDW and RYK, Bagasse based Power Plants, has also been adjusted as per the Authority's approved rates.
37. CPPA-G reported NTDC transmission losses of 149.89 GWh i.e. 2.23% during March 2016, which are lower than the Authority's assessed transmission losses of 3% as per its determination dated 23.04.2015 for NTDC, notified vide SRO No. 696(I) 2015 dated 23.07.2015. Accordingly, for calculation of FCA for March 2016, actual losses of 149.89 GWh i.e. 2.23%, being lower than the Authority assessed losses, have been taken into account for the purpose of current adjustment.
38. The Authority observed that CPPA-G in its instant monthly FCA request has claimed Transmission losses as a percentage of the total energy generated for the month including the energy generated by those power plants which are directly connected to XWDISCOs network.



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39. The Authority had been directing CPPA-G, in its previous FCA decisions, to work out its losses only to the extent of electricity transmitted through NTDC network. CPPA-G in response to the Authority's direction, vide its letter dated February 01, 2016 has provided detail of losses, worked out only to the extent of electricity transmitted through NTDC network. As per the detail submitted by CPPA-G, losses have been worked out as 3.30%, 3.74% and 4.07% for the months of October, November and December 2015 respectively. In view thereof, the Authority in its FCA decision of January 2016 directed CPPA-G to adjust the impact of these additional losses from October to December 2015 and January 2016 in its FCA request of February 2016.
40. GM (Technical) NTDC on the point of losses during hearing of the FCA for February 2016 tried to explain the reasons for calculating losses as a percentage of the total energy i.e. including the energy generated by those power plants which are directly connected to XWDISCOs network. The Authority however directed NTDC to submit its reasoning in writing in this regard for Authority's consideration.
41. NTDC, submitted its response on the issue, vide letter dated April 05, 2016, wherein, *inter alia*, NTDC has requested the Authority to increase the threshold of its actual T&T losses in the light of study carried out by M/s PPI, rather than addressing the concerns raised by the Authority.
42. In view thereof the Authority again directs CPPA-G to adjust the impact of these additional losses pertaining to the months of October, November & December 2015 and January, February & March 2016 in its next month's FCA request.
43. The Authority had issued certain directions to CPPA-G / NTDC in its previous FCA decisions regarding Economic Merit Order, Underutilization of Plants and provision of real time access of NPCC's data.





44. The Authority observed that these issues have been taken up with CPPA-G / NTDC separately and proceedings in this regard are under process.
45. The Authority, after incorporating the aforementioned adjustments, has reviewed and assessed a decrease of Rs.2.8373/kWh in the applicable tariff for XWDISCOs on account of variations in the fuel charges for the month of March 2016 as per the following details:

Actual Fuel Charges Component for March 2016	Rs. 5.2612 /kWh
Corresponding Reference Fuel Charges Component	Rs. 8.0985/kWh
Fuel Price Variation for the month of March 2016-Decrease	(Rs.2.8373/kWh)

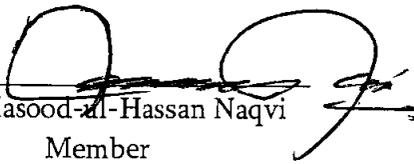
46. In view of the aforementioned, the Authority has decided that adjustment as referred to in Para 45 above:
- Shall be applicable to all the consumer categories except lifeline consumers, domestic consumers consuming up-to 300 units and Agriculture Consumers of all the XWDISCOs. It is hereby clarified that negative adjustment on account of monthly FCA is also applicable to the domestic consumers having Time of Use (ToU) meters irrespective of their consumption level. In case such adjustments have not been passed on to the domestic consumers, having ToU meters, in the past, the respective XWDISCOs are hereby directed to pass on the same to such consumers in their monthly bills.
 - Shall be shown separately in the consumers' bill on the basis of units billed to the consumers in the month of March 2016.
 - XWDISCOs shall reflect the fuel charges adjustment in respect of March 2016 in the billing month of May 2016.

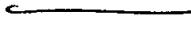


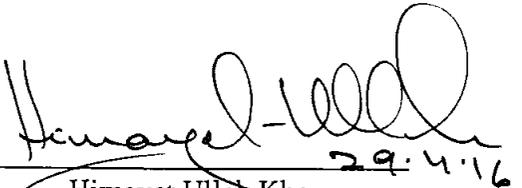


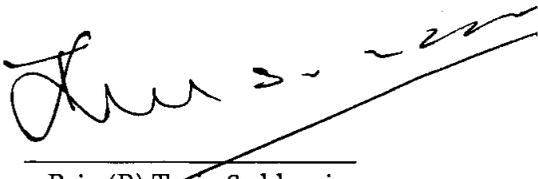
- d. While effecting the Fuel Adjustment Charges, the concerned XWDISCOs shall keep in view and strictly comply with the orders of the courts notwithstanding this order.

AUTHORITY

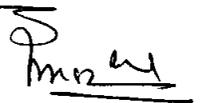

Syed Masood-ul-Hassan Naqvi
Member


Maj (R) Haroon Rashid
Member


Himayat Ullah Khan
Vice Chairman


Brig (R) Tariq Saddozai
Chairman




02.05.16

Source Wise Generation						
Sources	March 2015		March 2016			
	Actual		Reference		Actual	
	GWh	%	GWh	%	GWh	%
Hydel	1,364.16	20.86%	1,614.78	24.37%	1,855.42	27.55%
Coal	7.58	0.12%	11.69	0.18%	12.54	0.19%
HSD	302.84	4.63%	125.53	1.89%	11.89	0.18%
RFO	2,540.72	38.84%	2,663.37	40.20%	1,992.02	29.58%
Gas	1,669.67	25.53%	1,679.51	25.35%	2,231.05	33.13%
Nuclear	451.96	6.91%	373.84	5.64%	439.20	6.52%
Import Iran	32.81	0.50%	35.55	0.54%	32.82	0.49%
Mixed	138.07	2.11%	104.87	1.58%	19.88	0.30%
Wind	33.29	0.51%	14.85	0.22%	51.40	0.76%
Baggasse	-	0.00%	1.96	0.03%	74.23	1.10%
Solar	-	0.00%	-	0.00%	14.73	0.22%
Total	6,541.10	100.00%	6,625.94	100.00%	6,735.20	100.00%
Sale to IPPs	(2.99)	-0.05%	-	0.00%	(2.80)	-0.04%
Transmission Losses	(193.59)	-2.96%	(198.78)	-3.00%	(149.89)	-2.225%
Net Delivered	6,344.52	96.99%	6,427.16	97.00%	6,582.513	97.73%

Source Wise Fuel Cost/Energy Purchase Price

Sources	March 2015		March 2016			
	Actual		Reference		Actual	
	Mlns. Rs.	Rs./kWh	Mlns. Rs.	Rs./kWh	Mlns. Rs.	Rs./kWh
Hydel	-	-	-	-	-	-
Coal	34.12	4.4998	42.22	3.6118	56.40	4.4998
HSD	4,184.18	13.8163	2,429.28	19.3522	138.49	11.6440
RFO	24,709.88	9.7256	38,929.63	14.6167	10,228.94	5.1350
Gas	7,622.82	4.5655	8,700.98	5.1807	13,078.21	5.8619
Nuclear	534.22	1.1820	494.27	1.3221	509.75	1.1606
Import Iran	334.65	10.2000	375.04	10.550	347.90	10.6000
Mixed	1,087.23	7.8745	1,067.61	10.18005	139.78	7.0300
Wind	-	-	-	-	-	-
Baggasse	-	-	11.3121	5.7702	450.08	6.0632
Solar	-	-	-	-	-	-
Total	38,507.10	5.8869	52,050.34	7.8555	24,949.57	3.7044
Supplemental Charges	(129.98)	(0.0199)	-	-	10,045.11	1.4914
Sale to IPPs	(48.37)	(16.1806)	-	-	(27.22)	(9.7114)
Grand Total	38,328.74	5.8597	52,050.34	7.8555	34,967.46	5.1917
Transmission Losses	-	0.1816	-	0.2430	-	0.1204
Net Total	38,328.74	6.0412	52,050.34	8.098496	34,967.46	5.3122

CENTRAL POWER PURCHASING AGENCY (CPPA)
Energy Procurement Report (Provisional)
Mar-2016

S.No	Power Producer	Fuel	Dep. Capacity (MW)	Energy KWh	FCC Rs.	VO&M Rs.	Total Energy Cost (Rs.)	
1	Hydel							
	I WAPDA	Hydel	6 902 00	1,764,317,835	-	184,442,398	184,442,398	
	II Jagran	Hydel	30 00	4,279,090	-	8,549,622	8,549,622	
	III Pahure	Hydel	17 50	3,240	-	923	923	
	IV Malakand-III SHYDO	Hydel	81 46	32,273,000	-	8,068,250	8,068,250	
	V Lareib	Hydel	84 00	54,531,000	-	11,009,809	11,009,809	
	Hydel Total:		7 115 36	1,855,424,165	-	212,071,002	212,071,002	
2	Ex-WAPDA GENCOs							
	I GENCO-I							
		Jamshoro Block 1	RFO	205 00	50,285,000	284,587,558	4,651,363	289,239,321
		Unit 2-4	Gas	470 00	194,410,000	1,637,605,617	17,982,925	1,655,588,542
		Kotri 3-7	Gas	106.50	10,968,000	78,595,591	1,014,540	79,610,131
		Jamshoro Total		799 50	255,663,000	2,000,789,166	23,648,828	2,024,437,994
		II GENCO-II						
		Guddu CC 11-13	Gas	390	47,113,538	422,118,455	3,246,123	425,364,578
		Central Block 2	Gas	390	111,330,619	738,845,653	7,670,680	746,516,333
		Guddu CC 8-10	Gas	530	7,858,543	78,229,438	541,454	78,770,892
		Guddu 747	Gas	747	187,310,515	909,579,861	51,622,778	961,202,639
		Central Total		2 147 00	353,613,215	2,146,773,407	63,081,034	2,211,854,441
		III GENCO-III						
		Northern Block 1	RFO	558 00	153,928,301	951,865,274	20,010,679	971,875,953
		MG Unit 1-3	Gas	270 00	3,780,381	-	491,450	491,450
		Northern Block 2	RFO	270 00	54,871,686	325,824,709	7,133,319	332,958,028
		MG Unit 4	Gas	270 00	23,123,198	-	3,006,016	3,006,016
		Northern Block 3	RFO	360 00	44,396,011	301,071,072	5,771,481	306,842,553
		MG Unit 5-4	Gas	360 00	2,307,504	-	299,976	299,976
		Northern Block 4	Gas	360 00	64,568,686	388,419,387	8,393,929	396,813,316
		SPS FSD 1-2	Gas	97 00	15,514,000	156,028,952	2,016,820	158,045,772
		QTPS FSD 1-4	Gas	75 00	104,314	1,122,011	13,561	1,135,572
		Handipur	RFO HSD	411 35	110,696,000	756,623,407	78,306,350	834,929,758
		Northern Total:		1,979 35	473,290,061	2,860,954,612	125,443,581	3,006,398,393
	IV GENCO-IV							
		Coal	31 20	12,535,000	56,404,993	1,593,199	57,998,192	
	Total:		31 20	12,535,000	56,404,993	1,593,199	57,998,192	
	GENCOs Total:-		5 381 05	1,095,101,296	7,086,922,378	213,766,641	7,300,689,019	
3	IPPs							
1	Kot Addu Block 1	RFO	325	59,228,100	245,462,032	26,967,768	272,429,800	
		Gas	325	140,782,500	678,352,034	36,953,977	715,306,011	
Kot Addu Block 2	RFO	762	25,746,500	117,234,624	16,501,470	133,736,094		
	Gas	762	118,841,600	620,527,429	36,488,649	657,016,078		
	KAPCO Total		1,336 00	347,819,100	1,678,967,107	118,817,753	1,797,784,880	
2	Hub Power	RFO	1,200 00	668,322,400	3,276,459,161	118,613,187	3,395,072,348	
3	Kohinoor Energy	RFO	124 00	63,344,000	306,064,392	37,490,525	343,554,917	
4	AES Lalpur	RFO	350 00	71,294,900	389,497,371	12,087,052	401,584,423	
5	Pak Gen Power Limited	RFO	348 60	183,242,100	983,611,892	31,066,133	1,014,678,025	
6	Southern Power	RFO	110 47	-	-	-	-	
7	Habibullah	Gas	129.15	19,670,327	112,185,776	9,884,339	122,070,115	
8	Fazl Kabrawala	Gas	151.20	80,803,510	424,807,938	60,111,206	484,919,144	
9	Roush	Gas	395 00	202,470,413	1,008,053,887	56,116,929	1,064,170,816	
10	Saba Power	RFO	125 55	-	-	-	-	
11	Japan Power	RFO	107 00	-	-	-	-	
12	Uch	Gas	351.25	373,462,000	1,004,023,321	88,249,071	1,092,272,392	
13	Altern	Gas	27.12	21,140,070	137,843,223	14,344,594	152,187,817	
14	Liberty	Gas	211.65	70,907,700	523,462,700	23,249,018	548,711,718	
15	Davis Emergen	Gas	10 00	7,414,000	48,784,120	3,638,050	52,422,170	
16	Chashma Nuclear	Nucl.	300 00	212,597,000	267,447,026	-	267,447,026	
17	Chashma Nuclear-II	Nucl.	315 00	226,604,000	242,307,657	-	242,307,657	
18	Tavanir Iran	Import	96 00	32,821,200	347,904,720	-	347,904,720	
	Sub-Total:		5,888.19	2,581,912,720	10,751,420,291	573,667,857	11,325,088,148	



*Ans
15/3/16*

CENTRAL POWER PURCHASING AGENCY (CPPA)
Energy Procurement Report (Provisional)
Mar-2016

S No	Power Producer	Fuel	Cap. Capacity (MW)	Energy KWh	FCC Rs	VO&M Rs.	Total Energy Cost (Rs.)
1	Attock-Gen	RFO	158.18	97,969,263	372,472,099	90,357,051	462,829,150
2	Atlas Power	RFO	213.86	87,229,641	402,429,712	79,160,900	481,590,612
3	Nisbat Power	RFO	195.31	77,305,727	371,315,734	70,154,947	441,470,681
4	Foundation Power	Gas	171.48	99,449,654	597,098,874	38,895,822	633,994,696
5	Orient	Gas	212.70	118,515,548	835,397,557	25,113,442	860,510,999
		HSD		3,836,426	42,123,957	1,333,158	43,457,115
6	Hishat Chunian	RFO	195.72	72,867,485	341,802,259	65,959,647	407,761,906
7	Saf Power	Gas	203.89	53,903,129	374,367,773	19,437,468	393,805,241
		HSD		-	-	-	0
8	Engro Energy	Gas	212.99	15,632,251	479,543,636	5,117,999	484,661,635
9	Sapphire Power	Gas	203.17	85,372,556	623,330,669	30,443,853	653,774,522
		HSD		4,691,948	57,194,846	2,414,478	59,609,324
10	Hubco Narowal	RFO	213.82	102,981,802	486,049,998	88,780,601	574,830,599
11	Liberty Power	RFO	196.14	68,311,946	316,567,316	69,104,265	385,671,681
12	Halmora	Gas	199.24	105,603,170	737,019,284	38,249,468	775,268,752
		HSD		3,365,554	39,173,817	1,759,848	48,933,665
13	Uch-II	Gas	380.75	37,830,484	379,736,694	8,137,337	387,874,031
14	JDW-I	Bagasse	28.35	14,471,100	91,312,261	6,799,917	98,112,178
15	JDW-III	Bagasse	26.35	16,509,210	100,735,210	7,501,591	108,236,801
16	RYK	Bagasse	24.01	12,490,800	75,088,444	5,367,297	80,455,741
17	Chunot Power	Bagasse	62.40	30,761,360	182,947,036	15,193,036	198,140,072
Sub-Total:			2,831.95	1,109,099,054	6,905,707,177	667,282,225	7,572,989,402
IIPP's Total:-			6,720.14	3,691,011,774	17,657,127,468	1,240,950,082	18,898,077,550
Others							
I.	TPS-Quetta	Gas	25.00	7,644,000	65,738,400	526,672	66,265,072
II.	Zorlu	Wind	56.40	9,994,620	-	-	0
III.	FFCEL	Wind	49.50	6,215,000	-	-	-
IV.	TGF	Wind	49.50	9,057,000	-	-	-
V.	Foundation	Wind	49.50	16,005,538	-	-	-
VI.	Sapphire Wind Power	Wind	49.50	10,131,880	-	-	-
VII.	Quid-e-Azam Solar Park	Solar	100.00	14,732,920	-	36,443,351	36,443,351
VIII.	SPPs	Mixed	256.90	19,883,910	139,783,072	-	139,783,072
Others Total			636.30	92,864,860	205,527,472	36,970,023	242,491,493
G-Total			21,852.85	6,735,202,095	24,949,571,318	1,703,757,746	26,653,329,066
Summary							
1	Hydel			1,855,424,165	-	212,871,002	212,071,002
2	Coal			12,535,000	56,404,993	1,593,199	57,998,192
3	HSD			11,893,928	138,492,621	5,307,484	144,000,105
4	F.O.			1,992,020,862	10,228,939,010	822,116,839	11,051,055,849
5	Gas			2,231,052,610	13,078,209,267	591,164,033	13,669,373,300
6	Nuclear			439,201,000	509,754,683	-	509,754,683
7	Import from Iran			32,821,200	347,904,720	-	347,904,720
8	Wind Power			51,404,030	-	-	0
9	Solar			14,732,920	-	36,443,351	36,443,351
10	Bagasse			74,232,470	450,082,952	34,861,840	484,944,792
11	Mixed			19,883,910	139,783,072	-	139,783,072
Total For The month				6,735,202,095	24,949,571,318	1,703,757,746	26,653,329,066
Prev. Adjustment				-	10,045,113,832	(190,538,139)	9,854,575,694
Grand Total:				6,735,202,095	34,994,685,150	1,513,219,609	36,507,904,759

Energy Sale Price

Energy Cost (Rs.)	34,994,685,150	1,513,219,609	36,507,904,759
Cost not chargeable to DISCOs (Rs.)	27,220,258	-	27,220,258
EPP (Chargeable) (Rs.)	34,967,464,892	1,513,219,609	38,480,684,501
Energy Sold (KWh)	6,582,512,618	6,582,512,618	6,582,512,618
Avg. Rate (Rs./KWh)	5.312176	0.229885	5.542061



National Electric Power Regulatory Authority



NOTIFICATION

Islamabad, the May 2, 2016

303
S.R.O. (I)/2016: – Pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 as amended through Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act 2011, the National Electric Power Regulatory Authority makes and notifies the following adjustment in the approved tariff on account of variation in fuel charges for the month of March 2016 in respect of Ex-WAPDA Distribution Companies (XWDISCOs):

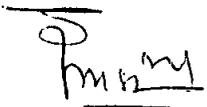
Actual Fuel Charges Component for March 2016	Rs. 5.2612/kWh
Corresponding Reference Fuel Charges Component	Rs. 8.0985/kWh
Fuel Price Variation for the month of March 2016 - (Decrease)	(Rs. 2.8373 /kWh)

Note: The Authority has reviewed and assessed a decrease of (Rs. 2.8373/kWh) in the applicable tariff for XWDISCOs on account of variation in the fuel charges for the month of March 2016 as per the above details.

2. The above adjustment a decrease of (Rs.2.8373/kWh) shall be applicable to all the consumer categories except lifeline consumers, domestic consumers consuming upto 300 units and agriculture consumers of all the XWDISCOs. It is hereby clarified that negative adjustment on account of monthly Fuel Cost Adjustment (FCA) is also applicable to the domestic consumers having Time of Use (ToU) meters irrespective of their consumption level. In case such adjustments have not been passed on to the domestic consumers, having ToU meters, in the past, the respective XWDISCOs are hereby directed to pass on the same to such consumers in their monthly bills.

3. The said adjustment shall be shown separately in the consumers' bills on the basis of units billed to the consumers in the month of March 2016 by the XWDISCOs. XWDISCOs shall reflect the fuel charges adjustment in respect of March 2016 in the billing month of May 2016.

4. While affecting the Fuel Adjustment Charges, the concerned XWDISCOs shall keep in view and strictly comply with the orders of the courts notwithstanding this order.


02.05.16
(Syed Safer Hussain)
Registrar
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