

FW U/L & M.A.P.D. ✓ 17/12/21  
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 SA (MSE)  
 - M.F.  
 cc. Chairman  
 - MCCA (T)

Mr. Syed Safer Hussain,  
 Registrar,  
 National Electric Power Regulatory Authority,  
 NEPRA Tower, Attaturk Avenue (East),  
 Sector G-5/1,  
 Islamabad.

Ref No. KE/BPR/NEPRA/2021/2803  
 December 16, 2021

*Handwritten signatures and dates:*  
 21/12/21  
 D.K.

**Subject: Quarterly variation for the quarter July 2021 to September 2021 under Multi-Year Tariff 2017 – 2023 - Revised**

Dear Sir,

This is with reference our letter No. KE/BPR/NEPRA/2021/2527 dated October 26, 2021 regarding quarterly tariff variations for July 2021 to September 2021 (enclosed).

In this regard, quarterly variation request for July 2021 to September 2021 was submitted vide letter dated October 26, 2021. Subsequent to this, NEPRA issued its decision regarding monthly Fuel Cost Adjustment of KE for the month September 2021 on Dec 06, 2021. Accordingly, KE has updated the fuel cost component for July 2021 to Sep 2021 in the revised quarterly variation for July 2021 to September 2021 in line with NEPRA's FCA determination for these months. The change in the fuel cost component is mainly due to the actualization of CPPAG's fuel cost.

Summary of revised quarterly variation for the quarter July 2021 to September 2021 is as below:

Quarter	Quarterly Variation per unit (PKR / kWh)
July to September, 2021 (Revised)	5.182
July to September, 2021 (Original)	4.944

KE would humbly request NEPRA for expeditious processing of this quarterly tariff variations along with quarterly variations for the period April 2020 to June 2021.

Sincerely,

*Handwritten signature of Ayaz Jaffar Ahmed*

**Ayaz Jaffar Ahmed**  
 Director – Finance & Regulations

**Enclosed:**

- Calculation sheet of quarterly variation – September 2021
- KE Letter regarding quarterly variation for July 2021 to Sep 2021 dated October 26, 2021

Tariff Division Record  
 By No. 7535  
 Dated 21-12-21

17676  
 17-12-2021



Mr. Syed Safeer Hussain,  
Registrar,  
National Electric Power Regulatory Authority,  
NEPRA Tower, Attaturk Avenue (East),  
Sector G-5/1,  
Islamabad.

Ref No. KE/BPR/NEPRA/2021/2527  
October 26, 2021

**Subject: Quarterly variation for the quarter July 2021 to September 2021 under Multi-Year Tariff 2017 – 2023**

Dear Sir,

This is with reference to the mechanism for monthly and quarterly variations provided in the Multi-Year Tariff Determination of K-Electric Limited (KE) dated July 5, 2018 (MYT), notified vide SRO No. 576 (I)/2019 dated May 22, 2019.

In this regard, please find attached calculation of quarterly variation for the quarter July 2021 to September 2021 along with relevant supports, for Authority's approval.

Quarter	Quarterly Variation per unit (PKR / kWh)
July to September, 2021	4.944

KE dispatches as per Economic Merit Order from its own generating units (with the available fuel resources) and import from external sources. It is also certified that the cost of fuel and power purchase claim does not include any amount of late payment surcharge / mark-up / interest. Requisite details including generation statistic sheets and invoices have already been submitted with monthly cost variations for the months of July 2021 to September 2021.

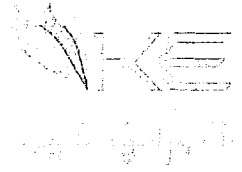
#### Heat Rate

In the MYT, NEPRA determined provisional Heat rates for KE's generating plants and directed KE to conduct fresh Heat rate test for its plants, based on which final Heat rates will be determined by NEPRA.

In this regard, NEPRA has issued its decision on Heat rate for BQPS – II plant on January 01, 2020 and accordingly the calculations are based on Heat rates determined therein.

Further, with respect to Heat Rates of KCCP, SGTPS & KGTPS, NEPRA issued its determination on September 02, 2020 and January 18, 2021 respectively, against which KE has filed review motions. The required adjustment will be incorporated after the final heat rates are determined.

Moreover, Heat rate test of BQPS I Plant has been conducted and Independent Engineers' reports have been submitted to NEPRA. The working for required adjustment will be submitted to NEPRA after determination of final Heat rates of BQPS I based on the test results.



Further, KE would humbly request NEPRA for expeditious processing of pending monthly variations for September 2021 and quarterly tariff variations for the period April 2020 to June 2021.

Sincerely,

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**Ayaz Jaffar Ahmed**  
Director – Finance & Regulations

**Enclosed:**

- Calculation sheet of quarterly variation – September 2021

**K-ELECTRIC LIMITED**

<b>QUARTERLY ADJUSTMENT IN TARIFF DUE TO VARIATION IN FUEL AND POWER PURCHASE COST INCLUDING O&amp;M AND CAPACITY CHARGES</b>	<b>Quarter ended Sep 2021</b>
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		Sep-21
<b>Required adjustment in Tariff</b>		
Quarterly Revision to reset price levels	Rs/kWh	4.807
Unrecovered Cost for current quarter	Rs/kWh	0.528
Reversal of unrecovered cost of previous quarter	Rs/kWh	(0.153)
Total Required adjustment in KE's Tariff	Rs/kWh	<u>5.182</u>
Total Required adjustment in KE's Tariff	Ps/kWh	<u>518.197</u>

**Quarterly Revision to reset price levels**

Units Sent Out	GWh	1,922.003
T&D Losses allowed	GWh	15.95%
Units billed	GWh	1,615.443
Cost of Fuel - KE - Note 1	Mill Rs	18,747.569

		Jun-21	Sep-21	Variation
Weighted Average Fuel cost per unit billed	Rs/Kwh	8.146	11.605	3.459

		Sep-21
<b>Cost of Power Purchases</b>		
- Fuel Cost	Mill Rs	9,408.490
- O&M and Capacity Cost	Mill Rs	5,876.056
- Total Cost of Power Purchases	Mill Rs	<u>15,284.547</u>

		Jun-21	Sep-21	Variation
<b>Weighted Average Cost of Power Purchases (cost per unit billed)</b>				
- Fuel Cost -	Rs/kWh	4.778	5.824	1.046
- O&M Cost and capacity cost	Rs/kWh	3.336	3.637	0.302
- Total Cost of Power Purchases	Rs/kWh	<u>8.113</u>	<u>9.462</u>	<u>1.348</u>

<b>QUARTERLY INCREASE/DECREASE IN COST PER UNIT BILLED</b>		
- Cost of Fuel - KE	Rs/kWh	3.459
- Cost of Power Purchases - Total	Rs/kWh	1.348
- Total Cost Variation	Rs/kWh	<u>4.807</u>

Note 1: Installment of GIDC arrears amounting to PKR 762 million per month is being billed by SSGC as per Supreme court order dated November 02, 2020. However, NEPRA in its FCA decision for the month of June 2021 has stated "considering the fact that K-Electric has obtained stay order from the Honorable SHC in the matter, decided not to allow any amount on account of GIDC till final decision by the Honorable SHC in the matter". Accordingly, GIDC will be claimed as per the final decision of Honorable SHC in the matter.

Note 2: Please note that the latest SoT determined by NEPRA, applicable for the quarter April to June 2020, is in continuation of SoTs determined by NEPRA vide its decision dated December 31, 2019 which were based on sales mix of FY 17 to 19. However, post MYT notification on May 22, 2019 updated terms and conditions have been applied including changes in definition of lifeline consumers and conversion of eligible consumers to "A3" category along with enabling of Time of Use (ToU) metering for Residential and Commercial consumers etc. Accordingly, KE would request NEPRA to adjust the impact while issuing determination of Quarterly SoTs.

Note 3: June 2021 details related to Fuel Cost are in line with NEPRA's decision dated Aug 06, 2021. Further, FCA details of July to Sep 2021 have been actualized based on NEPRA's decisions.

**K ELECTRIC LIMITED**

<b>QUARTERLY ADJUSTMENT IN TARIFF DUE TO VARIATION IN FUEL AND POWER PURCHASE COST INCLUDING G&amp;M AND CAPACITY CHARGES</b>	<b>Quarter ended Sep 2021</b>				
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ADJUSTMENT IN TARIFF DUE TO UNRECOVERED COST	Jun-21	Jul-21	Aug-21	Sep-21	QTR
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Reference					
Units Sent Out	GWh	1,966.698	1,807.849	1,922.003	
T&D Losses allowed		16.0%	16.0%	16.0%	
Units billed	GWh	1,653.010	1,519.497	1,615.443	4,787.950
<b>a. O&amp;M and Capacity cost of Power purchases</b>					
O&M and Capacity cost of Power purchases	Mill Rs	4,736.714	4,950.366	5,876.056	
O&M and Capacity cost of power purchases (per unit billed)	Rs/kWh	3.336	2.866	3.258	3.637
Increase or decrease in O&M and Capacity cost (over Reference)	Rs/kWh		(0.470)	(0.078)	0.302
<b>O&amp;M and Capacity Cost of Power Purchases - Monthly variations Amount</b>	<b>Mill Rs</b>	<b>(777.323)</b>	<b>(118.305)</b>	<b>487.332</b>	<b>(408.297)</b>
<b>b. Unrecovered Cost of FCA due to non adjustment of T&amp;D losses</b>					
<b>i Monthly variation in Fuel Cost (FCA) - Per unit</b>					
Cost of Fuel - KE	Rs/kWh	(0.0102)	0.4859	2.8107	
Cost of Fuel - Power Purchases	Rs/kWh	0.6153	0.2805	0.8684	
Adjustment		0.0839	(0.0053)	0.0780	
<b>Total</b>	<b>Rs/kWh</b>	<b>0.6890</b>	<b>0.7611</b>	<b>3.7571</b>	
<b>ii Monthly variation in Fuel Cost (FCA) - Amount</b>					
Cost of Fuel - KE	Mill Rs	(20.060)	878.434	5,402.173	6,260.547
Cost of Fuel - Power Purchases	Mill Rs	1,210.109	507.102	1,669.067	3,386.278
Adjustment		165.006	(9.582)	149.916	305.341
<b>Total</b>	<b>Mill Rs</b>	<b>1,355.055</b>	<b>1,375.954</b>	<b>7,221.157</b>	<b>9,952.166</b>
<b>iii Unrecovered Cost of FCA due to non adjustment of T&amp;D losses</b>					
Cost of Fuel - KE	Mill Rs	(3.200)	140.110	861.647	998.557
Cost of Fuel - Power Purchases	Mill Rs	193.012	80.883	266.216	540.111
Adjustment		26.318	(1.528)	23.912	48.702
<b>Total</b>	<b>Mill Rs</b>	<b>189.813</b>	<b>220.993</b>	<b>1,127.863</b>	<b>1,587.370</b>
<b>Summary of Unrecovered cost for the quarter</b>					
a. O&M and Capacity cost of Power purchases	Mill Rs				(408.297)
b. Unrecovered Cost of FCA due to non adjustment of T&D losses	Mill Rs				1,587.370
c. Other Adjustments					
Other adjustments	Mill Rs				759.903
<b>Total Unrecovered cost for the quarter</b>	<b>Mill Rs</b>				<b>1,938.977</b>
Estimated Units to be sold in next quarter at allowed T&D losses - Note 1	GWh				3,672.143
Unrecovered Cost per unit for current quarter	Rs/kWh				0.528

Note 1: To be actualized

DESCRIPTION		Jun-21	Jul-21	Aug-21	Sep-21
		Reference	Current	Current	Current
<b>1</b>	<b>O&amp;M COST</b>				
a	KANUJPP Mill Rs.	24.950	55.854	4.182	-
b	TAPAL Mill Rs.	55.220	44.945	34.723	55.105
c	GUL AHMED Mill Rs.	63.115	42.539	28.350	64.599
d	CPPA-G Mill Rs.	(408.581)	251.290	294.455	286.776
e	ANOUD POWER Mill Rs.	-	-	-	-
f	INT IND (IIL) Mill Rs.	5.231	6.070	8.340	7.436
g	FFBL Mill Rs.	22.624	23.101	23.512	15.540
h	SNPC - Note 1 Mill Rs.	58.655	64.564	65.931	63.334
i	OURSUN Mill Rs.	18.565	15.058	16.729	16.923
j	CPPA-G - 150 MW Mill Rs.	(31.622)	23.410	24.964	1.848
k	Gharo Solar Mill Rs.	9.944	7.792	9.240	9.245
l	LOTTE Mill Rs.	7.999	4.630	1.053	4.094
m	LUCKY Mill Rs.	0.025	0.266	0.356	0.435
	<b>TOTAL</b> Mill Rs.	<b>(173.876)</b>	<b>539.518</b>	<b>511.834</b>	<b>525.334</b>
<b>2</b>	<b>CAPACITY COST</b>				
a	KANUPP Mill Rs.	-	-	-	-
b	TAPAL Mill Rs.	119.589	96.603	74.633	118.441
c	GUL AHMED Mill Rs.	141.624	94.428	62.930	143.396
d	CPPA-G Mill Rs.	4,650.996	3,042.448	3,289.416	4,462.666
e	ANOUD POWER Mill Rs.	-	-	-	-
f	INT IND (IIL) Mill Rs.	-	-	-	-
g	FFBL Mill Rs.	244.252	247.050	251.441	166.187
h	SNPC - Note 1 Mill Rs.	203.315	215.393	216.112	208.082
i	OURSUN Mill Rs.	122.593	99.432	109.720	110.993
j	CPPA-G - 150 MW Mill Rs.	490.248	338.055	371.569	76.361
k	Gharo Solar Mill Rs.	81.402	63.787	62.711	64.596
	<b>TOTAL</b> Mill Rs.	<b>6,054.020</b>	<b>4,197.196</b>	<b>4,438.532</b>	<b>5,350.722</b>
<b>3</b>	<b>TOTAL O&amp;M &amp; CAPACITY COST</b>				
a	KANUPP Mill Rs.	24.950	55.854	4.182	-
b	TAPAL Mill Rs.	174.809	141.547	109.356	173.547
c	GUL AHMED Mill Rs.	204.739	136.967	91.279	207.995
d	CPPA-G Mill Rs.	4,242.415	3,293.739	3,583.871	4,749.442
e	ANOUD POWER Mill Rs.	-	-	-	-
f	INT IND (IIL) Mill Rs.	5.231	6.070	8.340	7.436
g	FFBL Mill Rs.	266.876	270.151	274.953	181.726
h	SNPC - Note 1 Mill Rs.	261.970	279.957	282.043	271.417
i	OURSUN Mill Rs.	141.158	114.489	126.448	127.916
j	CPPA-G - 150 MW Mill Rs.	458.626	361.464	396.533	78.209
k	Gharo Solar Mill Rs.	91.346	71.579	71.952	73.841
l	LOTTE Mill Rs.	7.999	4.630	1.053	4.094
m	LUCKY Mill Rs.	0.025	0.266	0.356	0.435
	<b>TOTAL</b> Mill Rs.	<b>5,880.144</b>	<b>4,736.714</b>	<b>4,950.366</b>	<b>5,876.056</b>

Note 1: Pursuant to NEPRA's decision of SNPC dated November 05, 2020, charges for July 2021 to September 2021 include O&M and Debt Service Component at indexed rate and insurance components at reference rates and excludes ROE & ROEDC component. Any further adjustments / indexations will be claimed in future upon final determination by NEPRA.

Details of Other Adjustments for the Quarter July 2021 to September 2021

S.No.	Details / Invoice	Amount in Million
1	Adjustment in STDC based on Indexed Tariff Rates as per NEPRA's decision dated Aug 05, 2021	212
2	CPPAG's Adjustment due to revision in Capacity Charges	109
3	Gharo's CoD Tariff Adjustment	425
4	Lotte's RLNG Adjustment	12
5	Oursun's Differential Energy Payment for July 2021	1

760

Revision in fuel cost of SNPC I and II amounting to 764 million billed by SNPCs based on NEPRA's decision on heat rate dated Sep 21, 2021 is not included as NEPRA in FCA decision of September 2021 stated that it will be allowed once NEPRA determines Fuel cost adjustments for SNPC. Accordingly, the claim will be included in quarterly variation post determination of FCC by NEPRA and payment made to SNPC.