



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/TRF-100/MFPA/ 20964-81

October 23, 2019

1.	Chief Executive Officer, Faisalabad Electric Supply Company Abdullahpur, Canal Bank Road Faisalabad	2.	Chief Executive Officer, Gujranwala Electric Power Company Ltd. 565/A, Model Town, G.T. Road, Gujranwala
3.	Chief Executive Officer, Hyderabad Electric Supply Co. Ltd. WAPDA Offices Complex, Hussainabad, Hyderabad	4.	Chief Executive Officer Islamabad Electric Supply Co. Ltd. Street # 40, Sector G-7/4, Islamabad.
5.	Chief Executive Officer, Lahore Electric Supply Company Ltd. 22-A, Queens Road, Lahore	6.	Chief Executive Officer Multan Electric Power Co. Ltd. MEPCO Headquarter, Khanewal Road, Multan
7.	Chief Executive Officer, Peshawar Electric Supply Company WAPDA House, Shami Road, Sakhi Chashma, Peshawar	8.	Chief Executive Officer Quetta Electric Supply Company Zarghoon Road, Quetta
9.	Chief Executive Officer, Sukkur Electric Power Company Ltd. (SEPCOL) Administration Block, Thermal Power Station, Old Sukkur.	10.	Chief Executive Officer Tribal Areas Electricity Supply Company Limited (TESCO) Room No. 213, 1 st Floor, WAPDA House, Shami Road, Sakhi Chashma, Peshawar

Subject: **Decision of the Authority in the matter of Fuel Charges Adjustment for the Month of August 2019 for XWDISCOs along with Notification Thereof**

Enclosed please find herewith copy of the decision of the Authority (08 pages) regarding adjustment in fuel charges in respect of Ex-WAPDA Distribution Companies for the month of August 2019 along with its Notification i.e. S.R.O. 1240(1)/2019 dated 22.10.2019.

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)

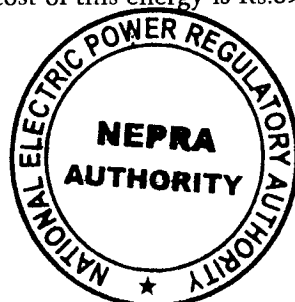

(Syed Safer Hussain) 23.10.19

CC:

1. Secretary, Ministry of Energy (Power Division), 'A' Block, Pak Secretariat, Islamabad.
2. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
3. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
4. Managing Director, PEPCO, 721 - 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, Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad.

**DECISION OF THE AUTHORITY IN THE MATTER OF FUEL CHARGES ADJUSTMENT
FOR THE MONTH OF AUGUST 2019 FOR EX-WAPDA DISCOS**

1. Pursuant to the provisions of Section 31(7) 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 FY 2017-18 and notified in the official gazette, 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 August 2019, necessary information as to the details of the actual fuel charges etc. was obtained from Central Power Purchasing Agency Guarantee Limited (CPPA-G).
3. The Authority has gone through the information provided by CPPA-G seeking monthly fuel adjustment and due diligence is done accordingly. From perusal of the information so provided by CPPA-G, the actual pool fuel cost for the month of August 2019 is Rs.5.0717/kWh, against the reference fuel cost component of Rs.3.2045/kWh as indicated in the Annexure-IV of the notified consumer-end tariff of Ex-WAPDA DISCOs for the FY 2017-18. The actual fuel charges, as reported by CPPA-G, for the month of August 2019 increased by Rs.1.8672/kWh (**Annex-I**) as compared to the reference fuel charges.
4. Notwithstanding the fact that the monthly adjustment on account of fuel charges variation is made in pursuance of the provisions of section 31(7) 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 in order to meet the ends of natural justice and to arrive at an informed decision, the Authority decided to conduct a hearing in the matter. The advertisement for hearing along-with salient features and details of the proposed adjustments, in the approved tariff, were published in newspapers on September 24, 2019 and also uploaded on NEPRA's Website for information of all concerned.
5. The Authority conducted the hearing in the matter on October 02, 2019 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/affected person were invited. Separate notices were also sent to the interested / affected parties.
6. On the date fixed for the hearing, representatives from CPPA-G, National Power Control Center (NPCC), NTDC, Media and General Public 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 Energy and Ministry of Finance attended the hearing despite service of notice.
7. The Authority noted that as per the data submitted by CPPA-G, XWDISCOs purchased 10.018 GWh from Captive Power Plants (CPPs) during August 2019. 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.69.68 million. However, the same as per



the adjustment mechanism approved by the Authority for CPPs/NCPPs, works out as Rs.69.64 million, which has been considered while working out the FCA of August 2019.

8. Here it is also pertinent to mention that CPPA-G has reported negative energy from Shikarpur Power, during August 2019, meaning thereby that Shikarpur Power has drawn energy from the grid. The total energy drawn by Shikarpur Power Plant, during August 2019, is around 2,400 kWh. Accordingly, an amount of Rs.0.03775 million has been deducted from the total fuel cost of August 2019, based on the rates charged by CPPA-G for sale of electricity to IPPs, during this month.
9. CPPA-G in its monthly FCA requests, includes fuel cost of Gas based NCPP/CPPs inclusive of GIDC. The Authority directs CPPA-G to provide details of GIDC paid by DISCOs to CPPs/ NCPPs, and the amount actually paid by CPPs/ NCPPs to the Gas supply companies.
10. The Authority also noted that fuel cost of the following power plants has not been claimed by CPPA-G as per the Authority's approved rates, accordingly, the same has been adjusted downward in line with the Authority's approved rates for the month of August 2019;

Power Plant	Energy kWh	Amount Claimed by CPPA-G Rs.	Avg. FCC Claimed by CPPA-G Rs./kWh	Avg. NEPRA's approved FCC Rs./kWh	Amount as per NEPRA Approved Rates Rs.	Adjustment Rs.
CPGCL	64,629,525	1,822,037,598	28.19	8.76	566,167,565	(1,255,870,033)
Nandipur	276,584,000	3,009,209,354	10.88	9.53	2,636,564,638	(372,644,716)
Atlas Power	26,345,677	366,694,940	13.92	12.97	341,582,241	(25,112,699)
Orient Power	80,795,408	975,378,328	12.07	11.60	937,330,650	(38,047,678)
Saif Power	96,598,123	1,166,267,778	12.07	11.60	1,120,843,896	(45,423,882)
Engro Energy	98,154,277	778,802,459	7.93	7.68	753,923,002	(24,879,457)
Sapphire	90,140,000	1,088,188,108	12.07	11.60	1,045,701,140	(42,486,968)
Liberty Power	95,916,758	1,327,344,056	13.84	13.27	1,272,604,362	(54,739,694)
Halmore	61,254,076	739,514,334	12.07	11.60	710,667,637	(28,846,697)
Engro Power Gen Thar	298,237,000	1,515,938,671	5.08	4.93	1,471,265,717	(44,672,954)
Total	1,188,654,844	12,789,375,626			10,856,650,847	(1,932,724,779)

11. CPPA-G also claimed amount of Rs.2,125 million on account of previous adjustments & supplemental charges during the month of August 2019 as detailed below;

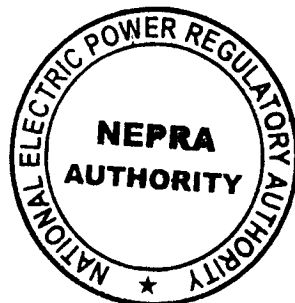
Rs. Mn	
Previous Adjustments	Claimed Amount
1994 Policy IPPs Adj.	1.86
NPGCL	30.44
Nishat Power	31.71
Foundation	39.34
Orient	110.64
Nishat Chunan	237.70
Saif Power	79.62
Sapphire	76.37
HUBCO	186.75
Liberty Power	78.44
Uch-II	(0.01)
QATPL (Bhikki)	326.14
Haveli Bahadur Shah	312.81
Balloki	275.82
Sahiwal Coal	35.08
Reshma Power	44.93
Port Qasim	(126.29)
Supplemental charges	384.58
G. Total	2,125.92



12. Regarding adjustment on account of Fuel differential of Rs.275.82 million for Balloki for the month of May 2019 and Rs.326.14 million for QATPL for the month of June 2019, CPPA-G has provided it working. However, the same has been verified as Rs.40.89 million and Rs.301.96 million for Balloki & QATPL respectively and included in the Fuel cost for the Month of August 2019.
13. Adjustments of following power plants have not been considered while working out FCA August 2019 due to no details/workings supported with verifiable documentary evidence;

Rs. Min	
Previous Adjustments	Claimed Amount
NPGCL	30.44
Nishat Power	31.71
Foundation	39.34
Orient	110.64
Nishat Chunian	237.70
Saif Power	79.62
Sapphire	76.37
HUBCO	186.75
Liberty Power	78.44
Haveli Bahadur Shah	312.81
Sahiwal Coal	35.08
Reshma Power	44.93

14. The remaining previous adjustments/ supplemental charges of Rs.386.44 million are allowed in the FCA of August 2019.
15. The Authority after incorporating the aforementioned adjustments, has allowed the remaining fuel cost, including costs arising out due to application of various factors as provided in the respective PPAs of the Power Producers, claimed by CPPA-G in the cost. However, at the same time, the Authority has decided that amount arising out of application of PPA factors, if any, for the six RFO based IPPs, incorporated under 2002 Power Policy, is allowed on provisional basis and shall be subject to adjustment, based on the final outcome of the ongoing proceedings against the RFO based IPPs.
16. NTDC, through email reported T&T losses of 397.75 GWh i.e. 2.74% during August 2019, which are within the Authority's allowed limit of 2.80% and accordingly considered while working out FCA of August 2019.
17. The Authority, while going through the Generation Mix data, noted that costlier energy of around 505 GWh @Rs.12.511/kWh has been generated from furnace oil based power plants, whereas, efficient coal based power plants like Engro Power Gen Thar, Port Qasim and Sahiwal Coal have not been fully utilized. The Authority observed that had the energy generated from costlier RFO based plants been generated from efficient power plants, it would have resulted in lower FCA for the month.
18. The Authority in its decision of FCA for July 2019, directed CPPA-G/NPCC to provide the complete detail on hourly basis along-with justification/ reasons for non-operation of efficient power plants during such periods for consideration of the Authority. The Authority further directed CPPA-G that in future such details along-with analysis showing

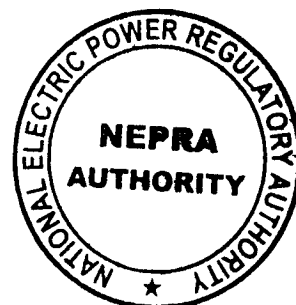


financial impact of non-utilization of efficient power plants be submitted along-with the monthly FCA data.

19. The Authority noted that although NPCC/NTDC submitted Plant wise hourly despatch data of the Generation, however, the stand alone despatch data is of no use unless supported by detailed financial analysis showing financial impact of non-utilization of efficient power plants. Upon inquiry, CPPA-G submitted that to carry out the required analysis, some additional information/details have been requested from NPCC/NTDC and once the same is received, the analysis will be provided for consideration of the Authority.
20. The Authority while taking serious notice of non-compliance of its direction, directed CPPA-G and NPCC to resolve the data related issues among themselves and a conclusive/detailed financial analysis be provided to the Authority along-with the monthly FCA requests.
21. The Authority also in its previous FCA decisions had been directing CPPA-G to provide the monthly FCA data on a specified format in addition to the format on which CPPA-G is currently submitting its FCA requests. Although, CPPA-G vide letter dated August 29, 2019, has provided the data on the new format, however, still there are certain shortcomings in the data like bifurcation of cost claimed under previous adjustments etc., therefore, CPPA-G is again directed to ensure complete provision of the data as directed by the Authority, in addition to the format on which CPPA-G is currently submitting its FCA request.
22. The Authority, after incorporating the aforementioned adjustments, has reviewed and assessed an increase of Rs.1.6615/kWh (**Annex-II**) in the applicable tariff for XWDISCOs on account of variations in the fuel charges for the month of August 2019 as per the following details:

Actual Fuel Charges Component for August 2019	Rs.4.8660/kWh
Corresponding Reference Fuel Charges Component	Rs.3.2045/kWh
Fuel Price Variation for the month of August 2019-Increase	Rs.1.6615/kWh

23. In view of the aforementioned, the Authority has decided that adjustment as referred to in Para 22 above;
 - a. Shall be applicable to all the consumer categories except lifeline consumers.
 - b. Shall be shown separately in the consumers' bills on the basis of units billed to the consumers in the month of August 2019.
 - c. XWDISCOs shall reflect the fuel charges adjustment in respect of August 2019 in the billing month of November 2019.







- 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

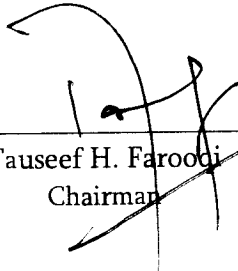

Saif Ullah Chattha
Member

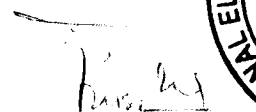
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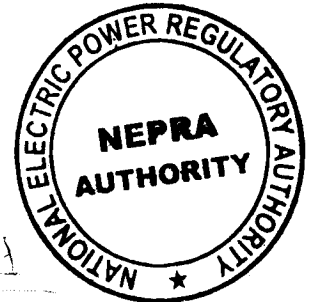

22/11/19
Rehmatullah Baloch
Member


Rafique Ahmed Shaikh
Member


Engr. Bahadur Shah
Vice Chairman


Tauseef H. Farooqi
Chairman


22/11/19



ADJUSTED

Annex-II

Source Wise Generation				
Sources	AUGUST 2019			
	Reference		Actual	
	GWh	%	GWh	%
Hydel	5,790.84	43.76%	5,667.51	40.33%
Coal	1,581.77	11.95%	1,873.91	13.34%
HSD	-	0.00%	-	0.00%
RFO	-	0.00%	505.92	3.60%
Gas/ RLNG	1,979.85	14.96%	1,668.49	11.87%
RLNG	2,232.44	16.87%	3,216.04	22.89%
Nuclear	847.35	6.40%	654.99	4.66%
Import Iran	44.72	0.34%	52.45	0.37%
Mixed	7.84	0.06%	10.02	0.07%
Wind	346.45	2.62%	322.43	2.29%
Baggasse	345.79	2.61%	17.98	0.13%
Solar	55.87	0.42%	61.81	0.44%
Total	13,232.91	100.0%	14,051.56	100.0%
Sale to IPPs	-	0.00%	(12.11)	-0.09%
Transmission Losses	(397.00)	-3.00%	(397.75)	-2.83%
Net Delivered	12,835.91	97.0%	13,641.69	97.08%

Source Wise Fuel Cost/Energy Purchase Price				
Sources	JULY 2019			
	Reference		Actual	
	Mlns. Rs.	Rs./kWh	Mlns. Rs.	Rs./kWh
Hydel	-	-	-	-
Coal	9,010.98	5.6968	10,401.41	5.5506
HSD	-	-	-	-
RFO	-	-	6,249.82	12.3533
Gas	7,960.27	4.0206	11,517.65	6.9030
RLNG	20,625.71	9.2391	36,430.32	11.3277
Nuclear	852.36	1.0059	580.87	0.8868
Import Iran	471.78	10.5500	606.87	11.5709
Mixed	79.80	10.1801	69.60	6.9477
Wind	-	-	-	-
Baggasse	2,131.66	6.1646	111.66	6.2089
Solar	-	-	-	-
Total	41,132.56	3.1084	65,968.21	4.6947
Supplemental Charges	-	-	602.99	0.0429
Sale to IPPs	-	-	(190.50)	(15.7279)
Grand Total	41,132.56	3.1084	66,380.70	4.7241
Transmission Losses	-	0.0961	-	0.1419
Net Total	41,132.56	3.2045	66,380.70	4.8660

To Be Published in
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National Electric Power Regulatory Authority



NOTIFICATION

Islamabad, the October 22, 2019

S.R.O. *12610* (I)/2019: – Pursuant to Section 31(7) 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 variations in fuel charges for the month of August 2019 in respect of Ex-WAPDA Distribution Companies (XWDISCOs):

Actual Fuel Charges Component for August 2019	Rs.4.8660/kWh
Corresponding Reference Fuel Charges Component	Rs.3.2045/kWh
Fuel Price Variation for the month of August 2019 - Increase	Rs.1.6615/kWh

Note: The Authority has reviewed and assessed an increase of Rs.1.6615/kWh in the applicable tariff for EX-WAPDA DISCOs on account of variation in the fuel charges for the month of August 2019 as per the above details.

- The above adjustment an increase of Rs.1.6615/kWh shall be applicable to all the consumer categories except lifeline consumers of all the XWDISCOs. The said adjustment shall be shown separately in the consumers' bills on the basis of units billed to the consumers in the month of August 2019 by the XWDISCOs. XWDISCOs shall reflect the fuel charges adjustment in respect of August 2019 in the billing month of November 2019.
- 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.

PS
Hussain
22 X 19
(Syed Safer Hussain)
Registrar

Dr
Dr