



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Tariff)TRF-100/MFPA/16163-78

October 24, 2024

1.	Chief Executive Officer, Faisalabad Electric Supply Company Ltd. (FESCO), Abdullahpur, Canal Bank Road Faisalabad	2.	Chief Executive Officer, Gujranwala Electric Power Company Ltd. (GEPCO), 565/A, Model Town, G.T. Road, Gujranwala
3.	Chief Executive Officer, Hyderabad Electric Supply Co. Ltd. (HESCO), WAPDA Offices Complex, Hussainabad, Hyderabad	4.	Chief Executive Officer Islamabad Electric Supply Co. Ltd. (IESCO), Street # 40, Sector G-7/4, Islamabad.
5.	Chief Executive Officer, Lahore Electric Supply Company Ltd. (LESCO), 22-A, Queens Road, Lahore	6.	Chief Executive Officer, Multan Electric Power Company Ltd. (MEPCO), MEPCO Headquarter, Khanewal Road, Multan
7.	Chief Executive Officer, Peshawar Electric Supply Company Ltd. (PESCO), WAPDA House, Shami Road, Sakhi Chashma, Peshawar	8.	Chief Executive Officer, Quetta Electric Supply Company Ltd. (QESCO), Zarghoon Road, Quetta
9.	Chief Executive Officer, Sukkur Electric Power Company Ltd. (SEPCO), Administration Block, Thermal Power Station, Old Sukkur	10.	Chief Executive Officer, Tribal Areas Electric Supply Company Ltd. (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 2024 for XWDISCOs along with Notification Thereof**

Enclosed please find herewith a copy of the Decision of the Authority along with **Annex-I & II**, Decision of Mr. Mathar Niaz Rana (nsc), Member (NEPRA), Jointly signed Additional note of the Majority of Authority Members and Additional note of Mr. Rafique Ahmad Shaikh, Member (NEPRA) (total 18 Pages) regarding adjustment in fuel charges in respect of Ex-WAPDA Distribution Companies for the month of **August 2024** and its Notification i.e. S.R.O.1647 (I)/2024 dated October 24, 2024.

2. XWDISCOs are directed that while charging the fuel charges adjustment from their consumers, the Order of the Honorable 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 Court(s) Order(s) the concerned DISCO shall be held responsible for violating/defying the orders of the Honorable Court(s).

Enclosure: [Decision along with Notification is
also available on NEPRA's website]

Wasim Anwar Bhinder
(Wasim Anwar Bhinder)

Copy to:

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. Member (Power), WAPDA, WAPDA House, Shahrah-e-Quaid-e-Azam, Lahore
5. Managing Director, NTDC, 414 WAPDA House, Shahrah-e-Quaid-e-Azam, Lahore
6. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad



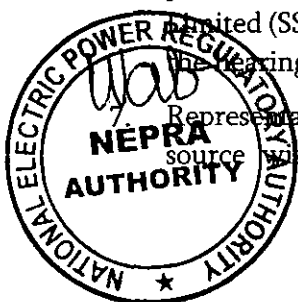
DECISION OF THE AUTHORITY IN THE MATTER OF FUEL CHARGES ADJUSTMENT FOR THE MONTH OF AUGUST 2024 FOR EX-WAPDA DISCOS

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 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 2024, a request was filed by CPPA-G vide letter dated September 13, 2024. CPPA-G has worked out the fuel cost for the FCA claim for August 2024 as under:

Actual Fuel Charges Component for August 2024	Rs.8.8122/kWh
Corresponding Reference Fuel Charges Component	Rs.9.3877/kWh
Net Fuel Price Variation for the month of August 2024 Decrease	(Rs.0.5755/kWh)

3. The Authority has reviewed the request/information provided by CPPA-G seeking monthly fuel cost adjustment (FCA) and due diligence is done accordingly. From the perusal of the information so provided by CPPA-G, the actual pool fuel cost for the month of August 2024, as claimed by CPPA-G, is Rs.8.8122/kWh, against the reference fuel cost component of Rs.9.3877/kWh as indicated in the Annexure-IV of the notified consumer-end tariff of Ex-WAPDA DISCOs for the FY 2024-25. The actual fuel charges, as claimed by CPPA-G, for the August 2024 decreased by (Rs.0.5755/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 the newspapers on September 19, 2024 and was also uploaded on NEPRA website for information of all concerned stakeholders. The Authority also advertised the revised request of CPPA-G in newspapers on July 25, 2024 and also uploaded the same on NEPRA website for information of all concerned stakeholders.
5. The Authority conducted the hearing in the matter on September 26, 2024 at NEPRA Tower, Ataturk Avenue (East), G-5/1, Islamabad and online through Zoom. The date of hearing was specified in the advertisement published in the newspapers and also uploaded on NEPRA's website, inviting participation in the hearing and submission of comments or objections from any interested/affected person individuals. Additionally, separate notices were sent to the concerned parties.
6. On the scheduled hearing date, representatives of CPPA-G, DISCOs, NTDC along-with its SO/NPCC team, the general public and media were present. However, no representative was present from Power Planning & Monitoring Company (PPMC), Sui Southern Gas Company Limited (SSGCL), Sui Northern Gas Pipelines Limited (SNGPL) and Ministry of Finance despite the hearing notice being served.

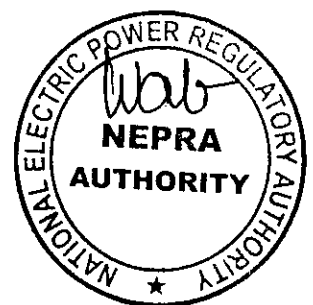
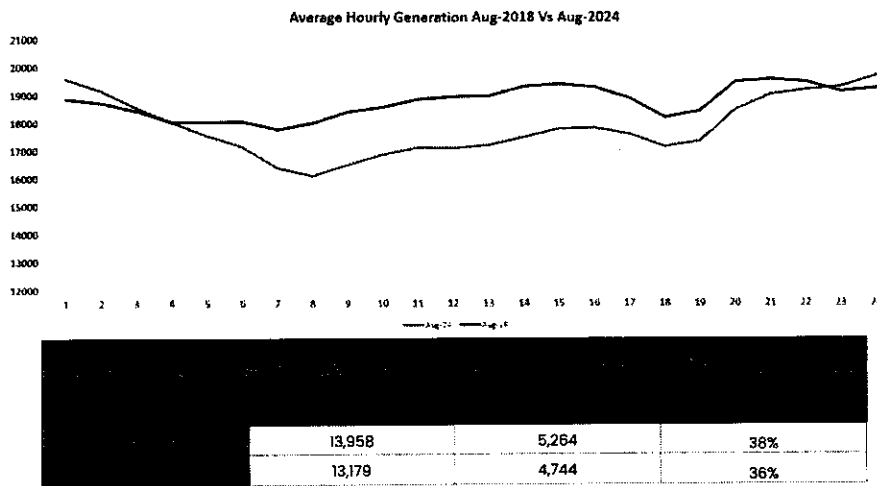
Representative of CPPA-G presented the case before the Authority. While explaining the source wise generation, representative of CPPA-G stated that there was slightly lower



generation from Hydro and Local Coal as compared to generation assumed in the reference tariff. It was further submitted that there was not much variation in the actual fuel prices vis a vis reference value. However, total generation for August reduced by around 20% as compared to the reference generation assumed in the base tariff. One of the reasons for this reduction in demand was discontinuation of the incremental consumption package in August 2024, which was applicable during August 2023. The following utilization factors for gas and coal-based power plants for the instant month were presented during the hearing;

Power Producer	Energy KWh	Plant Factor
China Power Hub Generation company	-	0%
Huaneng Shandong Ruyi Energy	345,411,800	37%
Port Qasim Electric Power Company	118,476,200	13%
Lucky Electric Power Company	216,921,200	48%
Coal- Imported	680,809,200	21%
Engro Powergen Thar (Pvt) Limited	350,532,400	78%
Thar Energy Limited	169,276,600	76%
Thar Coal Block-1 Power Generation	625,950,400	69%
ThalNova Power Thar (Pvt.) Ltd	159,784,300	72%
Coal- Local	1,305,543,700	73%
Gas		
Liberty Daharki Power Limited	89,413,700	54%
Uch Power Ltd.	299,274,000	73%

8. The Representative of NTDC/NPCC submitted that on year-on-year basis the generation has decreased by 17.4%. In compliance to the Authority's direction, the SO, presented generation/ demand pattern since 2018, to provide insight for demand fluctuation and dip due to induction of solar, which is as follows;;



9. It was further reported that the national area-weighted rainfall of August 2024 was excessively above average i.e. +147%. The month of August, 2024 was ranked as the second wettest August in the past 64 years. Additionally, the country's daytime (maximum) temperature for the month recorded the fifth lowest mean maximum temperature in the past 64 years.
10. Dr. Fiaz Chaudhry, Chairman BoD NTDC, submitted that lower temperature and excessive rainfall has contributed to a fall in demand against the reference. Additionally, solarization and transformer tripping during rain have also contributed to the fall in demand.
11. Different commentators raised their concerns during the hearing. The comments relevant to the FCA are summarized as under:

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- ✓ Mr. Muhammad Arif, a commentator, submitted that industrial demand needs to be encouraged through provision of industrial support packages. Further, peak tariffs may be abolished, and new tariffs for night shift industries may be introduced, along-with addressal of pending connections.
- ✓ Mr. Muhammad Arif also expressed serious concerns regarding previous adjustments of Bagasse based power plants of Rs.8.2 billion claimed by CPPA-G based on the Authority's decision dated 06.08.24 and 08.08.24, pursuant to the Authority decision dated 07.02.2024. Mr. Arif stated that FCC of these plants has increased significantly to Rs.12.48/kWh from existing rate of Rs.5.98/kWh, even higher than that of local coal-based power plants, which as per the data provided by CPPA-G for August is around Rs.12.27/kWh. He stressed that as no public hearing was conducted as required under law and in compliance to the various judgement of the superior courts, the decision of the Authority dated 07.02.2024 is *ab initio void*. Therefore, the cost cannot be passed on to the consumers. Mr. Bilwani also questioned linking of bagasse prices with coal prices, even though it is a byproduct of the sugar mills. Post hearing, Mr. Arif reiterated his comments through an email dated October 6, 2024.
- ✓ The Authority observes that the upfront tariff for new Bagasse based co-generation power projects was announced on May 29, 2013. The said decision was subsequently reviewed by the Authority vide decision dated August 28, 2013. Upon its notification in the official Gazette by the Federal Government and after it being accepted by the power producers, the upfront tariff attained finality. As per applicable law the said tariff does not remain subject to any modification or adjustment except for any modification or adjustment allowed therein¹.
- ✓ It is pertinent to mention that the decision of the Authority dated August 28, 2013 provided for a condition that in the interest of the consumers, the Authority may review the fuel price mechanism after due consultation with the affected/interested parties, if it is deemed that there is exorbitant/unreasonable increase in international coal prices. However, in order to mitigate the risk, to power producer and to encourage the investors to put up bagasse based (indigenous fuel) cogeneration projects, the reference CIF coal price of USD 100.67/ton used at the time of the determination shall be considered the floor/minimum price for the purpose of the fuel cost component. (Emphasis added)
- ✓ The Authority initiated *suo moto* review of the fuel price mechanism in 2019 and issued a decision dated 16.07.2019, after due proceedings including public hearing. However, that decision was challenged by bagasse IPPs before the Islamabad High Court which later referred the matter to NEPRA Appellate Tribunal. The Tribunal set aside the Authority decision dated 16.07.2019 vide its judgement dated November 18, 2022 and remanded the matter back to NEPRA.
- ✓ Thereafter, the Authority, in strict compliance with the aforementioned condition of its decision dated 28.08. 2013 and after following the due process i.e. affording two hearings to the affected parties and a stakeholder consultative session, through a unanimous and well-reasoned and speaking order dated 07.02.2024 passed by its full strength, reviewed the fuel cost mechanism in the interest of the consumers. It is pertinent to mention that the said decision of the Authority has also attained finality since no appeal or review has been filed against the said decision by any party in accordance with law and the Authority has become *functus officio*. Therefore, the contentions of Mr. Bilwani are misplaced and not relevant to



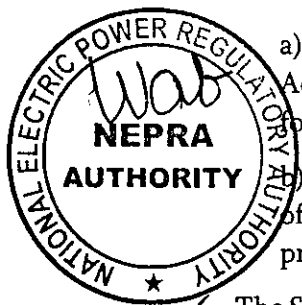
¹ Regulation 10 of the National Electric Power Regulatory Authority Up-front Tariff (Approval & Procedure) Regulations, 2011

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the instant proceedings. It is also pertinent to mention that vide decision dated 07.02.2024, the Authority delinked the bagasse price from imported coal in the interest of consumers, therefore the basic assertion of Mr. Bilwani is factually incorrect. With respect to the point of significant increase, it is noted that pending adjudication of the matter till 2024, CPPAG continued paying the fuel cost component to bagasse IPPs as per the approval granted by NEPRA in 2015. This means that the fuel cost component, which was not adjusted for subsequent years, was being paid provisionally from October 2018 onwards. The new component incorporates variations for the past years, as per the stipulated mechanisms, which accounts for the observed difference.

- ✓ Mr. Amir Sheikh also expressed concerns regarding huge quantum of previous adjustments of Bagasse based power plants and requested the Authority to thoroughly review these claims before passing on the same to the consumers.
- ✓ Mr. Husnain Zaigham, a commentator, submitted that the system constraints of NTDC have shown little or no signs of improvements in the past three to four years, which needs to be looked into for proper addressal of constraints related issues.
- ✓ Upon inquiry of Mr. Aneel Mumtaz, regarding reference for the FCA of August 2024, it was explained that for FY 2024-25, the Authority determined Fuel cost references for each month while rebasing of consumer end tariff decision dated 14.06.2024, against which actual Fuel cost is adjusted on monthly basis as per the notified mechanism.
- ✓ M/s FF Steel in its written comments submitted that no previous adjustment should be allowed as it is beyond the scope of FCA. Furthermore, FF Steel also raised the issue of timely application of monthly FCAs within 7 days, as per the provisions of NEPRA Act. The Authority noted that the issue of timely application of FCAs has already been decided by the Hon. Supreme Court of Pakistan vide judgment dated 02.05.2018, as under:



- a) In future, the time fixed in terms of provisions of second proviso to Section 31(4) of Act XL of 1997 for claiming tariff revision on the basis of fuel price fluctuation shall be four (04) months with reference to the bill/notified tariff of any particular month;
- b) For filing refund claims by consumers, which are based upon down ward fluctuation of fuel price, we find that a period of two (02) months is reasonable for the purpose of processing and granting such refunds relatable to the bill of a particular month.

The Supreme Court, in its said judgement also held that the timelines prescribed for fuel cost adjustment determinations are directory rather than mandatory. Furthermore, the learned Appellate Tribunal NEPRA, in its recent judgment dated 13.02.2024, which was upheld by the Islamabad High court, held that the provisions of Section 31(7) (iv), which prescribes the time frame for deciding FPA, are directory rather than mandatory.

12. The Authority observed that while submitting the monthly FCA request, CPPA-G and NTDC/NPCC certifies that;

a) 2002 Power Policy Plants

- i. All purchases have been made from Generation Companies having valid generation License issued by NEPRA.
- ii. Invoices of all electricity purchases have been processed in accordance with the rates, terms & conditions as determined by NEPRA. Payments related to periodical adjustments are also made as per decision of NEPRA.

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iii. The above statement is true, based on facts and from verifiable documentary evidence. In case of any deviation / variation observed if not rectified at later stage, CPPA-G will be responsible for the consequences arising out of any misstatement under NEPRA Act and its Rules & Regulations.

b) 1994 Power Policy Plants (HUBCO Inclusive)

- i. All purchases have been made from IPPs under 1994 Policy, including HUBCO & Chasnupp and excluding Tavanir, having valid generation license issued by NEPRA.
- ii. Invoices of all electricity purchases have been made strictly in accordance with the rates, terms & conditions as stipulated in the respective Power Purchase Agreements.
- iii. All payments to IPPs are being made after observing all formalities provided in the respective Power Purchase Agreements.
- iv. All purchases have been made in accordance with the Power Purchase Agreement
- v. The above statement is true, based on facts and from verifiable documentary evidences. In case of any deviation / variation observed if not rectified at later stage, CPPA-G will be responsible for the consequences arising out of any misstatement under NEPRA Act and its Rules & Regulations.

c) Power Plants Operations

- i. It is certified that Merit Order was followed as defined under section 2(I)(x) of the NEPRA Licensing (Generation) Rules, 2000, while operating power plants in its fleet during month of August 2024.
- ii. Partial loading of power plants strictly in accordance with the provision of their respective Power Purchase Agreement and the plants were operated on partial load as per system load demand variations and for fuel conversation where needed.

13. Accordingly for the purpose of instant FCA, the information along-with certification given by CPPA-G has been relied upon. In case of any variation, error, omission or misstatement found out at a later stage, CPPA-G shall be responsible and the same would be adjusted in the subsequent monthly fuel charges adjustment.

14. The Authority, observed that CPPA-G has purchased energy of 35.774 GWh from Tavanir Iran in August 2024 at a cost of Rs.974.689 million, however, contract between CPPA-G and Tavanir Iran for import of power up-to 104 MW has expired on December 31, 2021. In view thereof, the current cost and previous adjustments, of electricity purchased from Tavanir Iran is being allowed strictly on provisional basis, subject to its adjustment once the Authority decides the extension in the contract between CPPA-G and Tavanir Iran or otherwise. The cost being allowed on provisional basis is to avoid piling up of the cost and one time burdening of the consumers in future.

15. CPPA-G also requested net positive amount of Rs.15,639.3 million as previous adjustments. The same are discussed hereunder;

16. Regarding previous adjustment of Rs.8.2 billion for bagasse based power plants, the Authority revised the Fuel Cost Component of Bagasse based power plants from FY 2018 to FY 2024, pursuant to the Authority decision dated 07.02.2024, as detailed below:

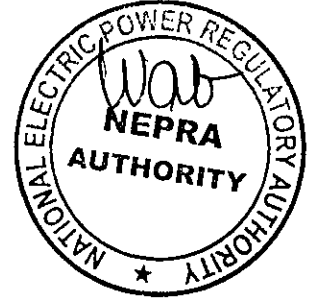


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Fuel Price Components from Oct 01, 2018 to Sep 30, 2024

Period	Revised Fuel Cost component (FCC)
	Rs. /kWh
w.e.f. 1st October, 2018 to 30th September 2019	8.0368
w.e.f. 1st October, 2019 to 30th September 2020	9.2262
w.e.f. 1st October, 2020 to 30th September 2021	9.8025
w.e.f. 1st October, 2021 to 30th September 2022	11.3187
w.e.f. 1st October, 2022 to 30th September 2023	11.8846
w.e.f. 1st October, 2023 to 30th September 2024	12.4788



17. Pursuant to the Authority's aforementioned decisions, CPPA-G requested adjustment of Rs.8,214 million, for different power plants, based on the claims submitted by these power plants and the amounts verified by CPPA-G, as tabulated below;

Plant	Period	Energy KWh	Already Allowed	Revised Claim	Difference
JDW II	Oct. 2022 to July 2024	328,144,500	1,963,026,027	3,987,682,937	2,024,656,909
JDW III	Oct-22 to Jul-24	332,854,900	1,991,204,582	4,040,393,442	2,049,188,860
Chiniot Power	Oct-2018 to Jan-2022	423,609,100	2,557,442,371	4,035,847,639	1,478,405,268
Chanar Energy	Feb-2019 to Feb-2024	174,396,682	1,043,275,831	1,883,590,570	840,314,739
Hamza Sugar Mills	Oct-2018 to May-2024	305,967,200	1,830,356,984	3,252,489,751	1,422,132,767
RYK Mills	Oct-2018 to Sep-2020	161,359,100	985,160,552	1,384,439,027	399,278,475
Total		1,726,331,482	10,370,466,347	18,584,443,365	8,213,977,018

18. Regarding previous adjustment claims of bagasse-based power plants, the Authority obtained details of payments made by CPPA-G to different bagasse-based power plants out of the claimed amount of Rs.8,213.977 million. As per the details submitted by CPPA-G, an amount of Rs.5,223.465 million has been verified and paid as of October 01, 2024. In view thereof, the Authority has decided to allow the amount of Rs.5,223.465 million in the instant FCA and the remaining amount would be considered once it has been verified.
19. Regarding adjustment of Rs. 3,139 million of K-3, the same pertains to period from June 2023 to December 2023 & June 2024, owing to revision in fuel prices of K-3, pursuant to NEPRA decision dated March 21, 2024, whereby FCC of K-3 was revised from June 2023 onward. The claimed amount being in line with the Authority's decision has been accounted for while working out the instant monthly FCA.
20. Regarding adjustment of Rs. 4,821 million of TCB-1, the same pertains to pre-COD period, i.e. 02 Dec 2022 to 04 Feb 2023, and revision in rates for the month of May 2023. The claim has been requested by CPPA-G pursuant to NEPRA decision dated March 05, 2024 whereby the FCC for the Pre-COD period i.e. 02 Dec 2022 to 04 Feb 2023, have been revised by the Authority from Rs.3.9137/kWh to Rs.8.1529/kWh, Rs.8.3352/kWh and Rs.9.8579/kWh for December 2022, January 2023 and February 2024, respectively. The same has been accounted for in the instant FCA being in line with the Authority's decision on provisional basis. Any adjustment, if required, based on verification of energy numbers, would be made subsequently.
21. CPPA-G has also claimed negative amount of Rs.218 million owing to CV adjustment of Liberty Power for the months of April 22 to December 22. Additionally, an amount of Rs.3.7 million for CV adjustments for the month of September 20, October 20, December 20, May 21 and July 21 was also claimed. Being in line with the Authority's decision, both these amounts have been accounted for in the instant FCA working.
22. Additionally, for the claimed amount of Rs.556.836 million for Habibullah Coastal Power Company, CPPA-G admitted the GIDC claim in light of the Supreme Court of Pakistan's decision. The claim pertains to the GIDC for the period prior to the expiration of the Power

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Purchase Agreement (PPA), therefore, claimed cost has been accounted for in the instant FCA working as per claim of CPPA-G.

23. Based on above, detail of previous adjustments claimed by CPPA-G viz a viz amount allowed is tabulated below;

Power Producers	Request	Allowed	Adjustment
Total	15,639,336,056	12,648,824,169	(2,990,511,888)
Nandipur	(4,247)	(4,247)	-
Habibullah	556,836,456	556,836,456	-
Uch	(18,214)	(18,214)	-
Karachi Nuclear Power Plant-Unit-2	(1,669,960)	(1,669,960)	-
Karachi Nuclear Power Plant-Unit-3	3,139,405,230	3,139,405,234	4
Tavanir Iran	4,904,858	4,904,858	-
Nishat Power	19,860,749	19,860,749	-
Foundation Power	(226,039)	(226,039)	-
Nishat Chunian	40,713,108	40,713,108	-
Sak Power	(767,177)	(767,194)	(17)
Engro Energy	(11,289,878)	(11,289,878)	-
Sapphire Power	1	1	-
Hubco Narowal	10,223,643	10,223,643	-
Liberty Power	(192,925,233)	(192,925,233)	-
Uch-II	12,464,633	12,464,633	-
JDW-II	2,024,657,509	580,043,117	(1,434,614,392)
JDW-II	2,049,188,860	570,892,830	(1,478,296,030)
RYK	399,278,475	321,678,401	(77,600,074)
Chiniot Power	1,478,405,268	1,478,405,268	-
Hamza Sugar Mills	1,422,130,892	1,422,130,892	-
Almolt Industries	(1)	(1)	-
Chanaar Energy	840,314,739	840,314,739	-
China Hub Power	2,780,045	2,780,045	-
QATPL	(212,013,606)	(212,013,621)	(15)
Haveli Bahadur Shah	(313,951,947)	(313,951,947)	-
Huaneng Shandong Ruyi Energy	(238,574,584)	(238,574,584)	-
Baloki	(331,409,365)	(331,410,729)	(1,364)
Port Qasim	75,116,933	75,116,933	-
Punjab Thermal Power	(30,397,608)	(30,397,608)	-
Thar Energy Limited	31,341,469	31,341,469	-
Thar Coal Block-1 Power Generation	4,821,765,136	4,821,765,136	-
ThalNova Power Thar	43,195,912	43,195,912	-



24. NTDCL, reported provisional T&T losses of 360.330 GWh i.e. 2.410%, based on the energy delivered on NTDCL system during August 2024. NTDC in addition also reported T&T losses of 30.911 GWh i.e. 2.271%, for PMLTC (HVDC) line. NTDCL is allowed T&T losses of 2.639% only at 500KV and 220 KV network. For PMLTC (HVDC) is allowed T&T losses of maximum up-to 4.3%.
25. Accordingly, for the month of August 2024, T&T losses of 391.241 GWh have been verified for NTDCL system only at 500 kV and 220 kV network and PMLTC (HVDC), keeping in view the aforementioned allowed limits of the Authority, which has been included in the instant monthly FCA working.
26. In view of the above discussion, the Authority has calculated the fuel cost for the month of August 2024, after accounting for the aforementioned adjustments, and including costs arising due to application of various factors, as provided in the respective PPAs of the Power Producers as claimed by CPPA-G in its FCA request (**Annex-II**).
27. The Authority hereby directs CPPA-G to provide the technically/financially verified data of each generation company pertaining to previous month along-with its next monthly FCA request, in order to ensure that any required adjustments are made in a timely manner.
28. CPPA-G in its request has also included 46.72 GWh for the Net Metering units procured during August 2024 based on information provided by PITC.
29. As per data provided by CPPA-G, during August 2024, 17.80 GWh were supplied by power producers having bilateral contracts with DISCOs. Regarding fuel cost of SPPs/CPP it is important to mention that CPPA-G only provided NTDC monthly reading data containing

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energy supplied by aforementioned SPPs/CPPs to DISCOs, however, no fuel cost has been claimed / provided along-with the FCA data.

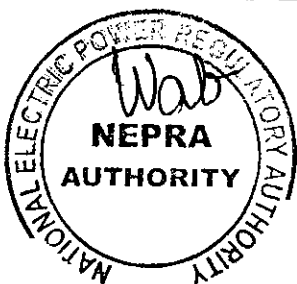
30. It is pertinent to mention here that while approving the Power Acquisition Requests (PARs) for such SPPs, the Authority also prescribed an adjustment mechanism for indexation of fuel cost component based on the prevalent fuel prices. As CPPA-G has not claimed any cost for the energy supplied by SPPs/CPPs, therefore, in order to avoid piling up of costs and one time burdening of consumers, the cost for energy supplied by SPPs during August 2024 has been accounted for based on the reference Fuel cost component as approved by the Authority in the respective PAR of such SPP/CPPs.
31. Based on the aforementioned discussion and in light of the earlier decisions of the Authority for FCA of May 2023 and onward, separate FCA of each DISCO after accounting for the energy purchased from CPPA-G, bilateral contracts (Captive, SPPs) and Net metering as part of individual basket of each DISCO has been worked out. However, since a uniform tariff regime is applicable in light NEPRA Act, NE Policy and Plan, therefore, the Authority has also worked out a National Average Uniform monthly FCA to be charged from all the consumers of XWDISCOs.

Description	Unit	CPPA-G Pool	K Electric	T&T Loss Diff	XWDISCOs
Energy Procured from CPPA-G Pool	GWh	12,756	755	350	11,997
Fuel Cost allocated from Pool	Rs. Mln	109,385	6,479	30	102,876
Actual Fuel Cost component (FCC) of CPPA-G Pool	Rs./kWh	8.5754	8.5754	8.5754	8.5754

Description	Unit	FESCO	GEPCO	HESCO	SEPCO	IESCO	LESCO	MEPCO	PESCO	TESCO	QESCO	National Avg. Uniform
Energy Procured from CPPA-G Pool	GWh	1,638	1,333	487	414	1,357	2,718	1,987	1,490	112	461	11,997
Energy Procured from Net Metering	GWh	3	6	0	0	10	10	13	3	0	0	46.72
Energy Procured from SPPs	GWh		2	4.7	10.9			0.3				17.80
Total Energy	GWh	1,641	1,341	492	425	1,367	2,728	2,001	1,492	112	461	12,061
Fuel Cost allocated from Pool	Rs. Mln	14,047	11,431	4,174	3,554	11,634	23,309	17,038	12,775	960	3,955	102,876
Fuel Cost for Energy Procured through bilateral contracts	Rs. Mln			9.8	22.8							32.64
Total Fuel Cost	Rs. Mln	14,047	11,431	4,184	3,577	11,634	23,309	17,038	12,775	960	3,955	102,909
Actual Fuel Cost component (FCC)	Rs./kWh	8.5594	8.5233	8.5100	8.4060	8.5097	8.5430	8.5166	8.5594	8.5735	8.5738	8.5322
Reference Fuel Cost component (FCC)	Rs./kWh	9.3877	9.3877	9.3877	9.3877	9.3877	9.3877	9.3877	9.3877	9.3877	9.3877	9.3877
Fuel Charges Adjustment	Rs./kWh	(0.8283)	(0.8645)	(0.8777)	(0.9817)	(0.8780)	(0.8447)	(0.8711)	(0.8283)	(0.8142)	(0.8140)	(0.8555)

32. CPPA-G is directed to develop a proper mechanism for Inter DISCO settlement of FCA worked for each XWDISCOs and the FCA charged from consumers after consultation with DISCOS, in order to ensure proper accounting of energy and cost of each DISCO as per their own basket.
33. The Authority, after incorporating the aforementioned adjustments, has reviewed and assessed a National Average Uniform decrease of (Rs.0.8555/kWh) in the applicable tariff for XWDISCOs on account of variations in the fuel charges for the month of August 2024 as under;

Actual National Avg. Uniform Fuel Charge Component for August 2024 for XWDISCOs Consumers	Rs.8.5322/kWh
Corresponding Reference Fuel Charge Component	Rs.9.3877/kWh
National Avg. Uniform Fuel Charge Adjustment for the month of August 2024- Decrease for XWDISCOs consumers	(Rs.0.8555/kWh)



Noted



34. In view of the aforementioned, the Authority has decided that adjustment as referred above;
- Shall be applicable to all the consumer categories except lifeline consumers, domestic consumers consuming up-to 300 units, Electric Vehicle Charging Stations (EVCS), Pre-paid electricity consumers of all categories who opted for pre-paid tariff 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.
 - Shall be shown separately in the consumers' bills on the basis of units billed to the consumers in the month of August 2024.
 - XWDISCOs shall reflect the fuel charges adjustment in respect of August 2024 in the billing month of October 2024, however, for consumers whose bills have already been issued, the adjustment shall be reflected in the billing month of November 2024.
 - 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

Mathar Niaz Rana

Mathar Niaz Rana (nsc)

Member

My additional note is attached

Rafique Ahmed Shaikh

Member

Engr. Maqsood Anwar Khan

Engr. Maqsood Anwar Khan

Member

Amina Ahmed

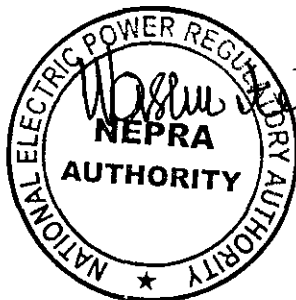
Amina Ahmed

Member

Waseem Mukhtar

Waseem Mukhtar

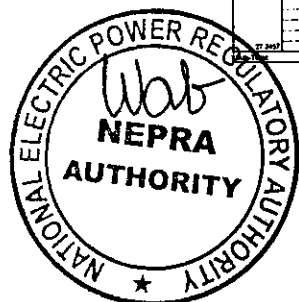
Chairman



My decision is attached 9/18

Mathar Niaz Rana

CENTRAL POWER PURCHASING AGENCY (CPPA)
Energy Procurement Report (Provisional)
For the Month of August 2024

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CENTRAL POWER PURCHASING AGENCY (CPPA)
Energy Procurement Report (Preliminary)
For the Month of August 2024

S.No.	Power Producers	Fuel	Capacity (MW)	Energy KWh	Fuel Charges Rs.	VGMR Charges Rs.	ESP Billing worth (Rs.)	Prev. Adjustment in Fuel Cost (Rs.)	Prev. Adjustment in VGMR (Rs.)	Prev. Adjustment in ESP Total Rs.	Sup. Charge	Total Fuel Cost Rs.	Total VGMR Rs.	Total Energy Cost (Rs.)
1	Adani-Gen	RFO	156	713,887	21,718,183	3,158,238	93,889,401		(86,194)	(58,196)		21,718,183	3,158,238	25,886,421
2	Adani Power	RFO	180											
3	Adani Power	RFO	171		14,54,342		38,371,368							
4	Andaman Power	Coal	214	94,839,261	332,711,486	16,663,338	369,188,398	18,888,718	871,843	20,231,780		332,711,486	16,663,338	349,374,824
5	Genet	RNO	213	48,889,778	1,677,886,884	34,294,880	1,677,886,884					1,677,886,884	34,294,880	1,712,181,764
6	Mineral Chyavan	RFO	188					58,213,388		383,378		58,213,388	383,378	58,602,767
7	PSL Power	RNO	204	1,882,888	388,888,781	14,888,384	173,888,133		(787,177)			388,888,781	14,888,384	403,888,165
8	Shree Energy	Coal	215	73,812,282	73,812,282	73,812,282	734,888,282		(11,288,878)	(11,288,878)		73,812,282	73,812,282	85,101,160
9	Singara Power	RNO	203	17,788,888	831,831,878	33,831,282	16,128,284					831,831,878	33,831,282	865,663,160
10	Adani Thermal	RNO	214	1,188,888	1,188,888	1,188,888	1,188,888					1,188,888	1,188,888	2,377,777,177
11	Uday Power	RFO	188	1,888,888	1,888,888	1,888,888	1,888,888					1,888,888	1,888,888	3,777,777,177
12	Adani	RNO	188	1,188,888	1,188,888	1,188,888	1,188,888					1,188,888	1,188,888	2,377,777,177
13	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
14	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
15	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
16	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
17	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
18	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
19	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
20	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
21	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
22	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
23	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
24	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
25	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
26	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
27	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
28	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
29	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
30	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
31	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
32	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
33	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
34	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
35	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
36	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
37	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
38	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
39	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
40	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
41	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
42	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
43	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
44	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
45	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
46	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
47	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
48	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
49	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
50	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
51	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
52	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
53	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
54	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
55	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
56	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
57	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
58	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
59	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
60	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
61	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
62	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
63	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
64	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
65	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
66	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
67	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
68	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
69	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
70	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
71	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
72	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,377,777,177
73	Uday	Coal	381	188,832,138	1,188,832,138	1,188,832,138	1,188,832,138					1,188,832,138	1,188,832,138	2,37



11/18

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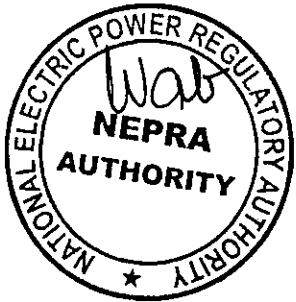
CENTRAL POWER PURCHASING AGENCY (CPPA)
Energy Procurement Report (Provisional)
For the Month of August 2024

S.No.	Power Producers	Fuel	Capacity (MW)	Energy KWh	Fuel Charge Rs.	VOGEM Charge Rs.	EPP Bidding month (Rs.)	Price Adjustment in Fuel Cost (Rs.)	Price Adjustment in VOGEM (Rs.)	Price Adjustment in EPP Total (Rs.)	Supp. Charge	Total Fuel Cost Rs.	Total VOGEM Rs.	Total Energy Cost (Rs.)
1	Summary													
2	Hydel			5,361,602,641		735,815,546	735,815,546							5,361,602,641
3	Coal-Lignite			1,384,551,780	14,824,880,428	883,385,413	15,993,580,347	4,046,340,217	3,883,473,335	3,883,473,335		20,929,380,488	3,883,473,335	24,977,925,863
4	Coal-Imported			688,889,086	10,778,411,378	339,327,898	11,824,987,437	(189,477,897)	(175,487,817)	(175,487,817)		10,638,939,481	339,327,898	11,078,267,380
5	Wind													
6	SPV			5,883,219	173,791,216	15,873,384	189,664,600	(175,177,734)	38,372,816	(137,804,918)		62,616,182	64,264,136	125,280,318
7	Solar			889,386,379	13,714,887,514	871,261,883	14,586,149,400	898,687	(18,389)	(18,389)	644,125,046	13,772,465,872	871,261,883	14,643,731,755
8	Hydro			3,195,881,438	14,235,387,183	1,883,742,888	16,119,129,071	3,088,354,000	(19,648,886)	(19,648,886)		19,100,780,185	1,883,742,888	21,000,000,000
9	Imported Coal			55,774,889	971,889,889		971,889,889	6,889,889		6,889,889		978,779,778		978,779,778
10	Other			299,254,883										
11	Subtotal			15,779,440	361,777,778	15,846,179	383,623,957	6,212,875,743	(1,371,434)	5,284,784,309		3,788,883,881	67,877,848	6,063,661,146
12	Total For The month			13,178,889,881	38,749,889,428	3,994,883,889	46,923,672,197	10,282,449,889	3,783,346,881	10,286,196,771	644,125,046	114,788,434,482	7,187,389,881	121,886,822,363
	Price Adjustment			(4,883,180)	11,632,329,889	3,383,889,881	15,442,842,887							
	GRAND TOTAL:			13,174,006,701	50,382,219,317	7,378,773,770	62,366,515,084							

Energy Cost (Rs.)	114,388,834,482	7,187,389,881	121,886,822,363
Cost not chargeable to DISCOs (Rs.)	2,013,448,808	-	2,013,448,808
EPP (Chargeable) (Rs.)	112,375,385,674	7,187,389,881	119,562,775,555
Energy Sold (KWh)	12,782,210,488	12,782,210,488	12,782,210,488
Avg. Rate (Rs./KWh)	8.8122	0.5644	9.3787

Reference Rate (Rs./KWh)	9.3877
PCA Rate Current month (Rs./KWh)	(0.5788)

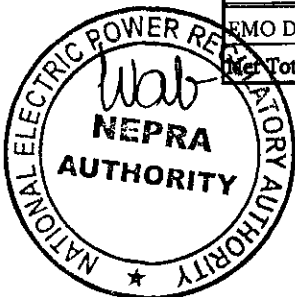
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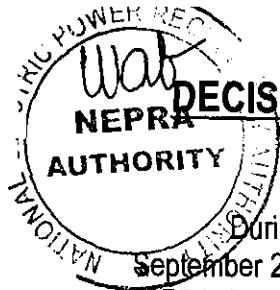


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Source Wise Generation				
Sources	August 2024			
	Reference		Actual	
	GWh	%	GWh	%
Hydel	6,280.66	38.03%	5,361.56	40.68%
Coal - Local	1,853.82	11.23%	1,305.54	9.91%
Coal - Imported	1,052.71	6.37%	680.81	5.17%
HSD	-	0.00%	-	0.00%
RFO	528.43	3.20%	5.66	0.04%
Gas	1,064.01	6.44%	950.21	7.21%
RLNG	2,937.42	17.79%	2,105.69	15.98%
Nuclear	2,201.52	13.33%	2,190.31	16.62%
Import Iran	-	0.00%	35.77	0.27%
Mixed	-	0.00%	-	0.00%
Wind	390.58	2.37%	398.25	3.02%
Baggasse	124.65	0.75%	46.71	0.35%
Solar	80.20	0.49%	98.37	0.75%
Total	16,513.99	100.0%	13,178.90	100.0%
Sale to IPPs	-	0.00%	(31.95)	-0.24%
Transmission Losses	(503.68)	-3.05%	(391.241)	-2.969%
Net Delivered	16,010.31	97.0%	12,755.71	96.79%

Source Wise Fuel Cost/Energy Purchase Price				
Sources	August 2024			
	Reference		Actual	
	Mlns. Rs.	Rs./kWh	Mlns. Rs.	Rs./kWh
Hydel	-	-	-	-
Coal - Local	22,026.93	11.8819	16,024.00	12.2738
Coal - Imported	16,859.61	16.0155	10,776.51	15.8290
HSD	-	-	-	-
RFO	20,100.61	38.0384	171.70	30.3188
Gas	11,493.00	10.8016	12,714.70	13.3810
RLNG	74,350.91	25.3116	54,238.26	25.7579
Nuclear	4,002.36	1.8180	3,266.85	1.4915
Import Iran	-	-	974.69	27.2457
Mixed	-	-	-	-
Wind	-	-	-	-
Baggasse	1,466.69	11.7665	582.88	12.4788
Solar	-	-	-	-
Total	150,300.11	9.1014	98,749.60	7.4930
Arrears/ Previous Adjustments	-	-	15,639.34	1.1867
Sale to IPPs	-	-	(2,013.45)	(63.0237)
Grand Total	150,300.11	9.1014	112,375.49	8.5269
Transmission Losses	-	0.2863	-	0.2829
Total	150,300.11	9.3877	112,375.49	8.8098
EMO Deductions	-	-	-	-
Net Total	150,300	9.3877	112,375	8.8098





DECISION OF THE MEMBER (TARIFF)-FUEL CHARGES ADJUSTMENT OF XWDISCOS FOR THE MONTH OF AUGUST 2024

During the public hearing on the Fuel Charges Adjustment (FCA) for August 2024, held on 26th September 2024, consumer representatives raised concerns over Central Power Purchasing Agency Guarantee (CPPA-G)'s proposed adjustments, especially the bagasse-based tariff which led to an increase in the FCA. It was pointed out that a public hearing, mandated by law, was not conducted to get consumer views on this issue and this oversight renders the decisions legally flawed and invalid from the outset.

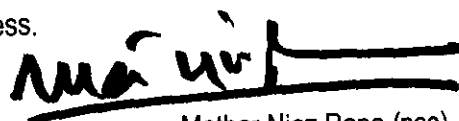
2. My esteemed colleagues must be aware that following the FCA public hearing, there has been widespread consumer criticism regarding the bagasse-based tariff, which has been deemed excessively high and decided without adequate consumers' participation. This has contributed to unexpectedly high tariffs, even surpassing local coal prices—an issue requiring urgent attention. CPPA-G highlighted this impact during public hearings on the FCA, showing a significant increase in the bagasse tariff from June to August 2024 compared to local coal. In June, the bagasse tariff stood at Rs. 5.982 per kWh, remained unchanged in July 2024, but sharply rose to Rs. 12.48 per kWh in August 2024. Meanwhile, the local coal tariff saw a more gradual increase from Rs. 11.03 per kWh in June 2024 to Rs. 11.33 in July 2024, and Rs. 12.27 in August 2024. By August 2024, the bagasse tariff had not only risen significantly but had also surpassed the local coal tariff. The sudden spike in the bagasse tariff has raised candid consumers' concerns, especially as consumers have also objected that they were not part of the decision-making process for this tariff.

3. Earlier the Ministry of Energy had also objected to Bagasse based tariff through a reconsideration request and I had respectfully disagreed with the learned Authority's decision to dismiss the Ministry of Energy's (MoE) reconsideration request on legal grounds, without granting the Ministry an opportunity to present the merits of its case. The MoE's request was made in the public interest, aiming to review the excessively high bagasse-based tariff. In my view, this reconsideration request can still be revived as a continuation of earlier original proceedings. The original bagasse tariff was set in 2013, and its review process began in 2018. In my humble opinion the Ministry's request could have been considered under the legal framework existing prior to the 2018 amendments to the NEPRA Act, rather than being dismissed under the 2022 amendments. This approach would align with the precedent set by the Authority in many cases including handling K-Electric's renewable energy RFPs, which were processed under the repealed NCBTR regulations since they had been submitted before the regulations were rescinded. Adopting this legal consistency would have been more appropriate in the case of the MoE's request.

4. Moreover, the Ministry of Energy's (MoE) request, made in the interest of consumers, still merits serious reconsideration, even if it necessitates a flexible interpretation of the applicable legal provisions. The Authority has previously demonstrated such flexibility in applying legal requirements in many instances, as in the case of Thar Energy Limited in its decision of August 2023, where comparable latitude was afforded to Independent Power Producer (IPP). Given this precedent, there is still a compelling basis for extending the same consideration to the MoE's request also to review the excessive bagasse-based tariff in the consumer's interest.

5. My learned colleagues will agree that consumers are essential stakeholders and necessary parties in tariff proceedings under the Civil Procedure Code (CPC). Any decision regarding tariff rates without a public hearing contravenes the Tribunal's orders and breaches mandatory provisions of the NEPRA Act, Tariff Rules, CPC provisions and superior court judgments. There is legal point of view that this procedural deficiency undermines the financial and legal integrity of the decision and makes it legally unenforceable on consumers in the light of many judgments of the superior courts. The matter, if remains unaddressed, may hinder further investment in bagasse-based generation while also increasing consumer end tariff.

6. For the reasons outlined above, I recommend that the negative FCA of Rs. 1.2628 be notified, excluding bagasse-based generation claims under the revised tariff. I respectfully recommend that the Authority, vested with extensive powers, take corrective action regarding its decision and promptly initiate suo moto curative proceedings under the applicable legal provisions of the NEPRA Act, NEPRA (Tariff Standards and Procedure) Rules and other relevant regulations. As highlighted, a public hearing is essential to transparently and thoroughly assess the bagasse-based tariff, explore pricing alternatives, and address related controversies. Including these claims in the FCA, would undermine the proposed suo moto review process.

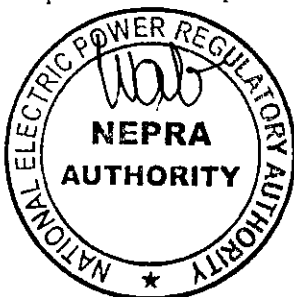


Mathar Niaz Rana (nsc)
Member (Tariff)

14/18

Additional Note from the Members of the Authority

1. This is with reference to the note from Member (Tariff) regarding the Fuel Charges Adjustment (FCA) Decision for August 2024 ("FCA Decision"), which recommends notifying a negative FCA of Rs. 1.2628/kWh while excluding claims from bagasse-based generation companies. This recommendation arises from concerns raised by a commentator during the FCA hearing on September 26, 2024, related to the absence of a public hearing for the February 7, 2024 decision ("Decision"). Member (Tariff) contends that consumers are essential parties in tariff proceedings under the Civil Procedure Code ("CPC"), and that decisions made without public hearings contravene legal provisions and court judgments.
2. Attention is drawn to paragraph 11 of the FCA Decision, which comprehensively addresses the commentator's concerns. We believe the assumption that a public hearing is a mandatory legal requirement is incorrect. The procedures outlined in the CPC do not apply to tariff determination proceedings, which are governed by the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (the "Tariff Rules"), established under the Regulation of Generation, Transmission & Distribution of Electric Power Act, 1997 (the "Act"). It is a fundamental principle that special laws take precedence over general laws, and the CPC is referenced in the Act solely for the enforcement of orders under section 40, pertaining to tribunal decisions set up under section 11. Thus, the assertion that public hearings are mandatory under the Act lacks any basis.
3. While the Authority encourages public hearings, it is important to note that, according to the Tariff Rules, it is within the Authority's discretion to decide whether to hold a public hearing. Rule 4(6) allows the Authority to solicit public comments if deemed appropriate, and Rule 9 grants the Authority the discretion to determine the necessity of a hearing upon admitting a petition. This indicates that conducting public hearings is not a mandatory requirement.
4. Moreover, while both NEPRA and the courts emphasize the importance of hearings in tariff determinations, it is essential to distinguish between initial comprehensive tariff determinations and the review of fuel pricing adjustments under already established tariffs. The Decision was a review of the fuel price mechanism based on an established upfront tariff from August 28, 2013, which underwent all necessary processes, including hearings for affected parties.
5. The Authority strictly adhered to established procedures while issuing the Decision, providing multiple opportunities for hearings and issuing a unanimous, well-reasoned order, to which Member (Tariff) was a signatory and did not raise any objections at that time.
6. Member (Tariff) has asserted that the bagasse-based fuel cost component experienced a significant increase in August 2024, rising to Rs. 12.48/kWh from Rs. 5.98/kWh in July 2024, and that this revised component has surpassed the fuel cost of local coal. The comparisons made are misleading and lacks critical context. It is essential to note that the fuel cost of bagasse-based generation projects had been under adjudication since 2019 across various legal forums, including the Islamabad High Court, the NEPRA Appellate Tribunal, and NEPRA itself. Pending above adjudication, the provisional fuel cost component of Rs. 5.98/kWh, which pertains to the year 2015, was being paid since October 2018. Therefore, making the comparison of the provisional component of 2015 with the revised component of 2024 is out of place.

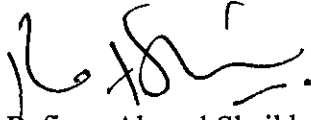


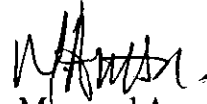
Likewise, comparing this change with the monthly increase occurred in the fuel cost component of local coal power plants is not correct. Secondly, while a comparison has been drawn with the fuel cost component of local coal power plants, several crucial factors have been overlooked. Firstly, the fuel cost component for local coal is adjusted on a monthly basis, whereas the fuel cost for bagasse-based generation is allowed to be reviewed on annual basis. Additionally, the fuel cost component for local coal is subject to exchange rate fluctuations, while the bagasse component is allowed to be indexed annually to a fixed percentage of 5%, which is significantly lower than the country's inflation rate as well as to the rate of currency devaluation. Furthermore, the analysis neglects the differences in efficiencies between coal and bagasse power plants, which can impact overall fuel cost. Nevertheless, when evaluated over the yearly timeframe of FY 2023-24, it is evident that the revised fuel cost component for bagasse projects (Rs. 12.48/kWh) is, in fact, lower than that of average fuel cost component of local coal power plants (Rs. 13.76/kWh).

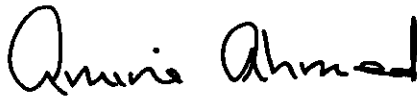
7. Furthermore, Member (Tariff) suggests that the Ministry of Energy's ("MOE") reconsideration request should not have been dismissed on legal grounds, viewing it as a continuation of prior proceedings. However, this request was filed in 2024 after the 2021 Amendment, which limits such requests to public sector licensees involved in distribution and supply business of electric power. Legal remedies are statutory rights that operate prospectively, making the assertion of continuity incorrect.
8. Additionally, the reference to RFPs initiated before the repeal of the National Electric Power Regulatory Authority Competitive Bidding Tariff (Approval Procedure) Regulations, 2017 ("NCBTR"), is not correct. The RFPs had been submitted and the process thereon had been initiated while NCBTR were in force. Regulation 37(2) of the 2022 Procurement Regulations provides a savings clause for processes initiated prior to its issuance.
9. The Authority also provided the MOE ample opportunity to address the maintainability of the reconsideration request. The request of the representatives of the MOE to seek legal opinion regarding maintainability of reconsideration request from Ministry of Law and Justice was also allowed. The Authority made its decision based on the law, available record while keeping in view the opinion of Ministry of Law and Justice.
10. In conclusion, we maintain that the absence of a public hearing does not vitiate the proceedings. The Authority's decision-making process included thorough cost analysis, future projections, and adequate opportunities for stakeholder input. We believe the Decision is legally sound and procedurally correct. Revisiting decisions that have attained finality could lead to regulatory uncertainty. It is also noteworthy that, following the opinion from the Ministry of Law and Justice, neither the MOE nor any other party challenged NEPRA's Decision before the NEPRA Appellate Board or in any high court, despite available remedies. Furthermore, during the FCA decision process, neither CPPA-G nor the MOE objected to the claims of bagasse-based power projects. Had any objections been present, they would have sought legal remedies through the appropriate forums. In view thereof, the Decision has become effective in terms of rule 18(2) of the Tariff Rules upon notification in the official Gazette and has also attained finality since no appeal or review was ever filed against the Decision. CPPA-G while implementing the Decision has also processed the invoices of certain power plants and made payments as well. Therefore, not allowing legitimate cost in the FCA Decision will be imprudent and also contrary to the law.



11. Since the Decision has not been challenged by any party before any forum available under the law, the *suo motto* curative review based on submissions of the stakeholder should not be initiated in a mechanical manner and the Authority must examine whether any substantial miscarriage of justice has occurred. If that is not the case, a more appropriate course is to address stakeholder feedback through a reasoned explanation of the decision, thereby preserving the integrity of the regulatory process and ensuring transparency and predictability.


Rafique Ahmed Shaikh
Member


Engr. Maqsood Anwar Khan
Member


Amina Ahmed
Member


Waseem Mukhar
Chairman



Additional Note of Member (Technical)

I am compelled to address the serious inefficiencies currently afflicting the power sector, which have imposed substantial financial burdens on electricity consumers. The data indicates that in August 2024 alone, the financial impact due to systemic constraints amounted to approximately Rs. 5.1 billion. This issue stems from multiple factors, including the South-North transmission constraint, contractual obligations of RLNG power plants, and ongoing overloading of grid/transmission lines etc. which have led to the underutilization of more economical generation plants in the South and the activation of costlier generation in the North.

Moreover, the alarming trend in financial impacts, which has escalated from Rs. 3.7 billion in FY 2021-22 to an astonishing Rs. 60.4 billion in FY 2023-24, raises significant red flags regarding NTDC's operational effectiveness. The core issue appears to be the persistent South-North transmission constraint, signaling a troubling pattern of planning and execution failures within NTDC.

Independent reviews, including those conducted by the Joint Venture (JV) and PSIA-USAID, have underscored these shortcomings, revealing that despite substantial investments over the past five years, critical bottlenecks in the transmission network remain unresolved. This has necessitated the operation of RLNG and RFO power plants, often at a higher cost. For instance, while power plants in the South have an average generation cost of Rs. 14.50 per unit, they are frequently curtailed in against marginal plants costing between Rs. 43 and Rs. 47 per unit, exacerbating financial strain.

The inefficiencies are further illustrated by the High Voltage Direct Current (HVDC) system, where capacity payments are being made for 4,000 MW, despite an average utilization of merely 39% and a peak utilization of just 62% since its inception. This discrepancy highlights severe deficiencies in system planning and transmission infrastructure development.

Additionally, the operational inefficiency of the Guddu 747 plant, which has been running on open cycle mode, has resulted in an estimated loss of Rs. 108 billion (approx.) to date. This impact is due to the combined impact of open-cycle operations and the increased reliance on costly alternate plants. This loss is expected to persist until the damaged steam turbine is replaced, compounding the financial challenges faced by the sector.

Furthermore, Neelum-Jhelum Hydropower plant has consistently underperformed and has faced significant challenges, including two major shutdowns i.e. one from July 2022 to August 2023 and another beginning in May 2024. This has stressed the power sector, forcing reliance on more expensive power plants, resulting in increased costs for the consumers.

Such inefficiencies are eroding the financial sustainability of the power sector, already hindered by governance challenges resulting in higher tariffs for consumers.

While NEPRA's recent determination of negative monthly fuel charges for August 2024 is a positive step, it is clear that further reductions could be achieved if the underlying inefficiencies were systematically eliminated.



**To Be Published in
Official Gazette of Pakistan Part-II**

National Electric Power Regulatory Authority



NOTIFICATION

Islamabad, the 24th day of October, 2024

S.R.O. 1647 (I)/2024: – 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 (Act No. XVIII of 2011), amended subsequently through Act No. XIV of 2021, the National Electric Power Regulatory Authority makes and notifies the adjustments on account of variations in fuel charges in the approved tariff of XWDISCOs. The following is the fuel charges adjustment for the month of **August 2024** in respect of Ex-WAPDA Distribution Companies (XWDISCOs):

Actual National Avg. Uniform Fuel Charge Component for August 2024 for XWDISCOs Consumers	Rs.8.5322/kWh
Corresponding Reference Fuel Charge Component	Rs.9.3877/kWh
National Avg. Uniform Fuel Charge Adjustment for the month of August 2024-Decrease for XWDISCOs consumers	(Rs.0.8555/kWh)

2. The above adjustment of **Rs.0.8555/kWh** Shall be applicable to all the consumer categories except lifeline consumers, domestic consumers consuming up-to 300 units, Electric Vehicle Charging Stations (EVCS), Pre-paid electricity consumers of all categories who opted for pre-paid tariff 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. 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 2024**. XWDISCOs shall reflect the fuel charges adjustment in respect of **August 2024** in the billing month of **October 2024**, however, for consumers whose bills have already been issued, the adjustment shall be reflected in the billing month of November 2024.

3. 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.


(Wasim Anwar Bhinder)
Registrar

