



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/TRF-133/KESC-2009/4927-4930
April 13, 2016

Subject: Decision of the Authority in the matter of Request for Reconsideration filed by Ministry of Water & Power regarding Decision of the Authority for Quarterly Adjustment of Tariff of K-Electric Limited (K-Electric) for the Quarter ended December 2014 [Case No. NEPRA/TRF-133/KESC-2009]

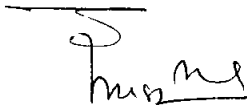
Dear Sir,

Reference: Ministry of Water & Power letter No. PIII-3(2)/2009 dated 28.03.2016.

Please refer to this office letter No. NEPRA/TRF-133/KESC-2009/8974-8977 dated 10.06.2015 whereby Decision of the Authority in the matter of K-Electric Ltd. Request for Quarterly Adjustment in its Tariff for the Quarter ended December 2014 was communicated to the Federal Government for notification in the official Gazette.

2. Please find enclosed herewith the subject Decision of the Authority along with Annex-A (05 pages).
3. The subject Decision of the Authority is being intimated to the Federal Government for the purpose of notification in the official Gazette pursuant to Section 31 (4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997) and Rule 16(11) of the National Electric Power Regulatory Authority Tariff (Standards and Procedure) Rules, 1998.
4. The Revised Schedule of Tariff (Annex-A) is to be notified in the official Gazette.

Enclosure: As above

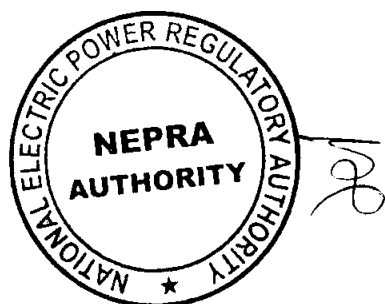

13.04.16
(Syed Safer Hussain)

Secretary
Ministry of Water & Power,
'A' Block, Pak Secretariat
Islamabad

- CC: 1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Secretary, Privatization Commission, EAC Building, Islamabad.

**DECISION OF THE AUTHORITY IN THE MATTER OF REQUEST FOR RECONSIDERATION FILED BY
MINISTRY OF WATER AND POWER REGARDING DECISION OF THE AUTHORITY FOR QUARTERLY
ADJUSTMENT OF TARIFF OF K-ELECTRIC LIMITED (K-ELECTRIC) FOR THE QUARTER ENDED
DECEMBER, 2014**

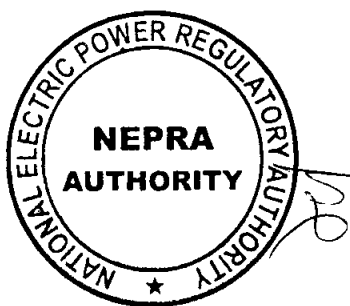
1. Pursuant to section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 and in accordance with the determination of the National Electric Power Regulatory Authority (hereinafter referred to as "the Authority") in case No. NEPRA/TRF-133/KESC-2009(6) dated December 23, 2009 notified vide S.R.O. No. 11(1)/2010 dated January 01, 2010, K-Electric Limited (hereinafter referred to as "K-Electric") has been allowed quarterly adjustments in its tariff.
2. In accordance with the aforementioned determination, the Authority decided adjustments and issued Schedule of Tariff (hereinafter referred to as "SoT") of K-Electric for the quarter ended December, 2014 through decision no. NEPRA/TRF-133/KESC-2009/8974-8977 dated June 10, 2015. The mentioned decision was intimated to the Ministry of Water and Power (MoW&P) for the purpose of notification in the official gazette pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).
3. In addition to cost adjustments, the Authority also decided to pass on claw back amount of Ps. 42/ kWh directly to the consumers, calculated for the results reported by K-Electric for the financial year 2014. This amount was worked out in accordance with the Claw Back Mechanism ("CBM") prescribed vide Authority's determination dated December 23, 2009.
4. However, the said decision was challenged by K-Electric before Honorable High Court of Sindh ("SHC") vide Suit No. 989/2015 dated June 11, 2015. Earlier, SHC through order dated June 11, 2015 restrained MoW&P from issuing subject quarter's SoT. Later, SHC on January 26, 2016 decided, inter alia, that the defendants (NEPRA & MoW&P) may not implement CBM.
5. Referring the aforementioned order of SHC, K-Electric on January 28, 2016 wrote to NEPRA to issue the pending SoT pertaining to the quarter ended December, ²⁰¹⁴~~2015~~. The Authority vide its letter dated March 15, 2016 sent the aforementioned SHC's order to MoW&P for further necessary action in this regard.



6. Accordingly, MoW&P vide its letter dated March 28, 2016 received in this office on March 29, 2016 filed a reconsideration request on the subject quarterly adjustment decision. Along with that request, MoW&P communicated subsidy numbers to be incorporated in SoT of the mentioned decision.
7. One error was identified in the aforementioned request which was communicated to the concerned official of MoW&P. In response, that error was rectified and a new corrected SoT was forwarded by MoW&P vide letter dated April 06, 2016.
8. The Authority noted that the reconsideration request does not require any modification or revision in the NEPRA determined rates and the said request is made by the MoW&P to incorporate the category wise subsidy allowed by the Government of Pakistan ("GOP") to maintain uniform tariff across the country. The Authority considered the revised reconsideration request and decided to admit the same for further processing.
9. During the processing, it was noted that no surcharges was indicated by MoW&P to equalize the tariff for few categories in the SoT in which applicable tariff was higher than NEPRA's determined tariff. However, the Authority noted that providing subsidy and imposing surcharges is the prerogative of the GOP, therefore, decided to further process the submitted reconsideration request as such. Nevertheless, K-Electric is hereby directed to adjust over/under recovered amount (difference in approved and actually charged tariffs) in the future bills of the respective consumer categories. For that purpose, K-Electric shall submit a schedule of adjustment to the Authority and upon doing so shall also certify the Authority and MoW&P of the same.

Inadvertent Error

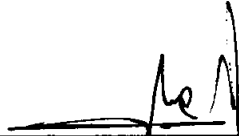
10. It is important to mention here that the Authority corrected an inadvertent error of Ps. 14/ kWh in the SoT of K-Electric through decision dated March 31, 2014. K-Electric challenged the said decision in Honorable High Court of Sindh by virtue of which the mentioned decision of the Authority was suspended to the extent of rectification of Ps 14/ kWh in K-Electric's SoT. In view thereof, the impact of rectified error has not been subtracted from the tariff indicated in the attached SoT.

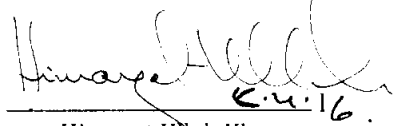


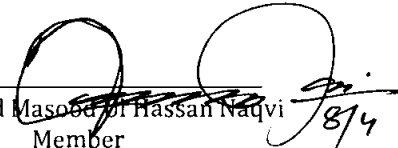
Decision

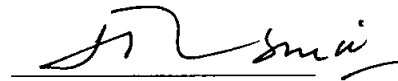
11. The revised SoT is being intimated to the Federal Government for notification in the official gazette in terms of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997) and Rule 16(11) of the National Electric Power Regulatory Authority Tariff (Standards and Procedure) Rules, 1998. The amount of tariff differential subsidy already been paid by GOP to K-Electric, if any, may be adjusted in view of the attached SOT.

AUTHORITY

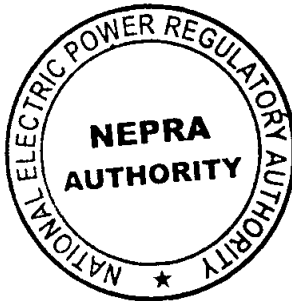

Khawaja Muhammad Naeem
Member

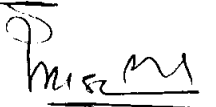

Himayat Ullah Khan
Member


Syed Masood ul Hassan Naqvi
Member


Maj (R) Haroon Rashid
Vice Chairman


Brig (R) Tariq Sadozai
Chairman




13.04.16

**REVISED SCHEDULE OF ELECTRICITY TARIFF
FOR K-ELECTRIC LIMITED
DETERMINED FOR THE QUARTER OCTOBER-DECEMBER, 2014
EFFECTIVE FOR THE QUARTER JANUARY-MARCH, 2015**

A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	Governemnt Subsidy			
		FIXED CHARGES	VARIABLE CHARGES		
		Rs/kW/M	Rs/kWh		
a)	For Sanctioned load less than 5 kW				
i	Up to 50 Units	-		4.00	2.00
	For Consumption exceeding 50 Units				
ii	1- 100 Units	-		14.21	8.42
iii	101-200 Units	-		15.25	7.14
iv	201- 300 Units	-		15.98	7.87
v	301- 700 Units	-		18.07	5.74
vi	Above 700 Units	-		19.95	4.88
b)	For Sanctioned load 5 kW & above				
	Time Of Use	-	Peak	Off-Peak	
			20.95	14.95	
					Peak Off-Peak
					6.96 6.73

Under tariff A-1, there shall be minimum monthly customer charge at the following rates even if no energy is consumed.

- a) Single Phase Connections: Rs. 75/- per consumer per month
b) Three Phase Connections: Rs. 150/- per consumer per month

A-2 GENERAL SUPPLY TARIFF - COMMERCIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	Governemnt Subsidy			
		FIXED CHARGES	VARIABLE CHARGES		
		Rs/kW/M	Rs/kWh		
a)	For Sanctioned load less than 5 kW			20.45	2.45
b)	For Sanctioned load 5 kW & above	400.00		17.65	1.65
			Peak	Off-Peak	
c)	Time Of Use	400.00	21.95	16.45	3.95 3.95

Under tariff A-2, there shall be minimum monthly charges at the following rates even if no energy is consumed.

- a) Single Phase Connections: Rs. 175/- per consumer per month
b) Three Phase Connections: Rs. 350/- per consumer per month

B INDUSTRIAL SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	Governemnt Subsidy			
		FIXED CHARGES	VARIABLE CHARGES		
		Rs/kW/M	Rs/kWh		
B1	Less than 5 kW (at 400/230 Volts)	-		16.95	1.64
B2(a)	5-500 kW (at 400 Volts)	400.00		15.55	0.74
B3(a)	For all loads upto 5000 KW (at 11,33 kV)	380.00		15.15	-
B4(a)	For all loads upto 5000 KW (at 66,132 kV)	360.00		14.75	0.23
	Time Of Use		Peak	Off-Peak	
B2(b)	5-500 kW (at 400 Volts)	400.00	20.95	14.70	2.14 1.59
B3(b)	For All Loads up to 5000 kW (at 11,33 kV)	380.00	20.45	14.20	1.64 1.19
B4(b)	For All Loads (at 66,132 kV & above)	360.00	19.95	13.95	1.14 1.04
B5	For All Loads (at 220 kV & above)	340.00	19.45	13.70	3.24 0.87

For B1 consumers there shall be a fixed minimum charge of Rs. 350 per month.
For B2 consumers there shall be a fixed minimum charge of Rs. 2,000 per month.
For B3 consumers there shall be a fixed minimum charge of Rs. 50,000 per month.
For B4 consumers there shall be a fixed minimum charge of Rs. 500,000 per month.
For B5 consumers there shall be a fixed minimum charge of Rs. 1000,000 per month.



C - SINGLE POINT SUPPLY FOR PURCHASE IN BULK BY A DISTRIBUTION LICENSEE AND MIXED LOAD CONSUMERS NOT FALLING IN ANY OTHER CONSUMER CLASS

Government Subsidy							
Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh		Rs/kW/M	Rs/kWh	
C -1	For supply at 400/230 Volts						
a)	Sanctioned load less than 5 kW	-		16.95		1.95	
b)	Sanctioned load 5 kW & up to 500 kW	400.00		16.10		1.60	
C -2(a)	For supply at 11,33 kV up to and including 5000 kW	380.00		16.10		1.80	
C -3(a)	For supply at 132 and above, up to and including 5000 kW	360.00		15.95		1.75	
	Time Of Use		Peak	Off-Peak		Peak	Off-Peak
C -1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	400.00	20.95	14.95		2.95	2.45
C -2(b)	For supply at 11,33 kV up to and including 5000 kW	380.00	20.45	14.15		2.45	1.85
C -3(b)	For supply at 132 kV up to and including 5000 kW	360.00	19.95	13.95		1.95	1.75

D - AGRICULTURE TARIFF

Government Subsidy						
Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FIXED CHARGES	VARIABLE CHARGES
		Rs/kW/M	Rs/kWh		Rs/kW/M	Rs/kWh
D-1	For all Loads	200.00		16.43		6.43
	Time of Use		Peak	Off-Peak		Peak
D-2	For all Loads	200.00	22.55	14.55	3.33	3.33

Note:- The consumers having sanctioned load less than 5 kW can opt for TOU metering.

E - TEMPORARY SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		Government Subsidy	
					FIXED CHARGES	VARIABLE CHARGES
		Rs/kW/M	Rs/kWh		Rs/kW/M	Rs/kWh
E-1(i)	Residential Supply	-		20.35	-	-
E-1(ii)	Commercial Supply	-		23.25	-	-
E-2 (i)	Industrial Supply	-		19.95	-	-
E-2 (ii)	Bulk Supply					
	(a) at 400 Volts	-		20.35	-	-
	(b) at 11 kV			19.95		-

For the categories of E-1 (i & ii) and E-2 (i & ii) above, the minimum bill of the consumers shall be Rs. 50/- per day subject to a minimum of Rs.500/- for the entire period of supply, even if no energy is consumed.

F - SEASONAL INDUSTRIAL SUPPLY TARIFF

125% of relevant industrial tariff

Note:

Tariff-F consumers will have the option to convert to Regular Tariff and vice versa. This option can be exercised at the time of a new connection or at the beginning of the season. Once exercised, the option remains in force for at least one year.

G - PUBLIC LIGHTING

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		Government Subsidy	
					FIXED CHARGES	VARIABLE CHARGES
		Rs/kW/M	Rs/kWh		Rs/kW/M	Rs/kWh
	Street Lighting	-		19.95	-	6.22

Under Tariff G, there shall be a minimum monthly charge of Rs.500/- per month per kW of lamp capacity installed.

H - RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		Government Subsidy	
					FIXED CHARGES	VARIABLE CHARGES
		Rs/kW/M	Rs/kWh		Rs/kW/M	Rs/kWh
	Residential Colonies attached to industrial premises	-		17.95	-	5.03

Note: The impact of claw back amount of minus Rs. 42 /kWh, worked out on the basis of results reported by K-Electric for the financial year 2014 has not been taken into account in this SoT due to the orders of Honorable High Court of Sindh. The impact of inadvertent error has also not been taken into account in this SoT due to the orders of Honorable High Court of Sindh.

