



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

Registrar

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No. NEPRA/R/TRF-362/K-Electric-2016/ 28674-79

December 27, 2019

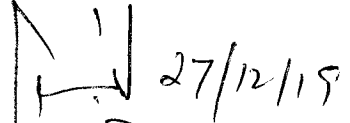
Chief Executive Officer
K-Electric Limited (KEL)
KE House, Punjab Chowrangi,
39 – B, Sunset Boulevard, Phase-II
Defence Housing Authority, Karachi.

Subject: Decision of the Authority in the matter of Fuel Charges Adjustments for the Period from July 2016 to June 2019 for K-Electric Limited and Notification (S.R.O. 1621(I)/2019 dated 27.12.2019) Thereof

Enclosed please find herewith a copy of decision of the Authority (10 pages) in the matter of fuel charges for the period from July 2016 to June 2019 in respect of K-Electric Limited, along with Notification (S.R.O. 1621(I)/2019 dated 27.12.2019) thereof. This is for information and further necessary action.

2. While reflecting the Fuel Adjustment Charges, K-Electric Ltd. shall keep in view and strictly comply with the orders of the court(s), if any, notwithstanding this order.

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


(Iftikhar Ali Khan)

CC:

1. Secretary, Ministry of Water & Power, 'A' Block, Pak Secretariat, Islamabad.
2. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
3. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
4. Secretary, Privatization Commission, 5-A, EDB Building, Constitution Avenue, Islamabad
5. The Registrar, Supreme Court of Pakistan, Islamabad.

**DECISION OF THE AUTHORITY IN THE MATTER OF MONTHLY FUEL CHARGES
ADJUSTMENTS OF K-ELECTRIC LIMITED FOR THE PERIOD FROM JULY 2016 TO JUNE 2019**

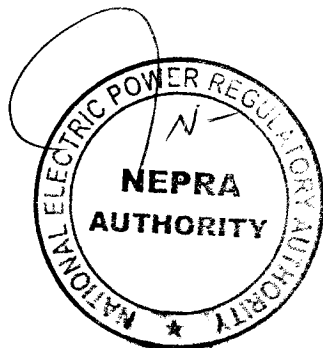
1. Pursuant to the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997, and as per the mechanism for monthly, quarterly and annual adjustments provided in the tariff determination of K-Electric Limited (herein referred to as "K-Electric or KE") dated July 05, 2018, duly notified in the official Gazette vide SRO No. 576(I)/2019 dated May 22, 2019, the Authority has to review and revise the approved tariff on monthly, quarterly and annual adjustments.

2. As per the mechanism provided in the determination, impact of change in KE's own generation fuel cost component due to variation in fuel prices, generation mix and volume shall be passed on to the consumers directly in their monthly bills in the form of Fuel Charges Adjustment (FCA). Similarly, impact of change in the fuel component of Power Purchase Price (PPP) due to variation in fuel prices and energy mix shall also be passed on to the consumers through monthly FCA.

3. However, the impact of monthly variations in million rupees in KE own generation's fuel cost component as well power purchase price to the extent of targeted T&D losses, not taken into account in the monthly FCAs, shall be adjusted on quarterly basis. In addition, the monthly variations in million rupees in the variable O&M and fixed costs of the PPP, as allowed by the Authority, shall be adjusted on quarterly basis. The impact of these variations shall be worked out based on targeted units to be sold in the next quarter and shall be adjusted in the SoT of K-Electric. The actual payments in respect of WWF, WPPF etc. to the IPPs shall be considered as pass through and shall be adjusted on yearly basis upon production of verifiable documentary evidence.

4. Pursuant to notification of the determined MYT, K-Electric vide letter dated May 27, 2019, filed adjustment requests on account of monthly fuel price from July 2016 to April 2019. Afterwards, K-Electric vide letter dated June 19, 2019, filed its FCA request for the month of May 2019 and also revised its earlier FCA request of April 2019. Later on, K-Electric vide letter dated July 12, 2019 filed its FCA request for June 2019 and also revised its earlier FCA request of May 2019.

5. A Summary of the monthly FCA requests filed by K-Electric is as under;

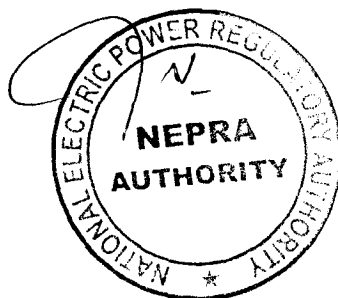


Monthly Fuel Cost Variation		
Month	PKR Million	PKR/kWh
Jul-16	424	0.263
Aug-16	363	0.232
Sep-16	307	0.204
Oct-16	(66)	(0.045)
Nov-16	(229)	(0.189)
Dec-16	1,124	0.996
Jan-17	(66)	(0.068)
Feb-17	(805)	(0.829)
Mar-17	(137)	(0.106)
Apr-17	(378)	(0.255)
May-17	(628)	(0.374)
Jun-17	(755)	(0.430)
Jul-17	(356)	(0.217)
Aug-17	105	0.064
Sep-17	(440)	(0.280)
Oct-17	702	0.432
Nov-17	(152)	(0.122)
Dec-17	(236)	(0.236)
Jan-18	1,204	1.151
Feb-18	1,035	0.976
Mar-18	2,977	2.094
Apr-18	578	0.371
May-18	2,191	1.185
Jun-18	1,827	0.991
Jul-18	1,139	0.623
Aug-18	927	0.566
Sep-18	1,218	0.776
Oct-18	2,710	1.629
Nov-18	847	0.614
Dec-18	767	0.703
Jan-19	(37)	(0.037)
Feb-19	(894)	(0.933)
Mar-19	(1,544)	(1.226)
Apr-19	1,065	0.660
May-19	2,672	1.427
Jun-19	2,831	1.503

Hearing

6. Since the impact of any such adjustments has to be made part of the consumer end tariff, therefore, the Authority, in order to provide an opportunity of hearing to all the concerned and meet the ends of natural justice, decided to conduct a hearing in the matter.

7. The hearing was accordingly held on August 21, 2019 at Hotel Moven Pick Karachi and NEPRA Tower, Islamabad through video link. An advertisement in this regard was published in newspapers on August 08, 2019 and separate notices were also sent to the stakeholders for inviting comments from the interested/ affected parties. Salient features and details of the proposed adjustments along-with with notice of hearing were also uploaded on NEPRA's Website for information of all concerned.



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8. Following issues were framed for discussion during the hearing;
- i. Whether the requested Fuel price variations are justified?
 - ii. Whether the requested quarterly variations are justified?
 - iii. Whether the petitioner has complied with the directions of the Authority in terms of Interest on Security deposits, Bill collection charges, Meter Rent, application of ToU rates and what is their financial impact due to delay in notification of the MYT?
9. During the hearing and in written form, comments have been received from the following commentators.
- i. Mr. Arif Bilvani
 - ii. K-Electric Consumer forum
 - iii. Engr. Nazim Haji
 - iv. Jamat-e-Islami Karachi
 - v. Bin Qasim Association of Trade & Industry
 - vi. Mr. Aurangzeb Elahi
10. The commentators generally showed their apprehensions regarding the conduct of the hearing through video link, however, specific comments were also raised. A brief of the comments raised by Mr. Haji Nazim, Mr. Arif Bilvani and Mr. Aurangzeb Elahi, relevant to the instant adjustments, is as under;

- **Mr. Nazim F. Haji**

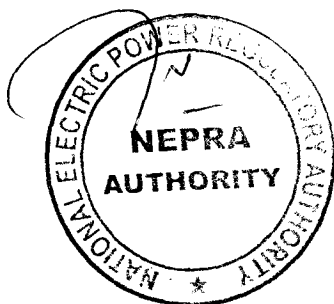
The commentator submitted that an independent forensic audit by technical and financial expert, to be mandated by a Senate Committee, to thoroughly examine K-Electric's claims. The commentator also raised the issue of non-implementation of TOU during the MYT 2009-2016 and unless the previous accounts are settled, the instant adjustment requests should be deferred. The commentator further requested for K-Electric response on issues regarding Interest on Security Deposits, Bill Collection charges, Meter Rent and application of ToU rates.

- **Mr. Aurangzeb Elahi**

The commentator submitted that should ensure implementation of all decisions taken by the Authority in decision dated March 20, 2017. The commentator also raised the issue of non-implementation of TOU during the MYT 2009-2016 and unless the previous accounts are settled, the instant adjustment requests should be deferred.

- **Mr. Arif Bilvani**

Mr. Bilvani during the hearing and afterwards requested for provision of certain information/documents primarily relevant to the quarterly adjustments.



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11. K-Electric, in its adjustment requests, has certified that it despatches as per Economic Merit Order from its own generation units (with the available fuel resources) and import from external sources. It also certified that the cost of fuel and power purchase claims do not include any amount of late payment surcharge/mark-up/interest.

12. K-Electric also submitted that as required in the MYT 2017 determination, heat rate test of BQPS-II has been conducted in June 2018, based on which NEPRA issued its decision on heat rates of BQPS-II on May 09, 2019. K-Electric further submitted that although it has filed a motion for review against the Authority's decision of May 09, 2019, however, the instant calculations are based on the heat rates given by the Authority in its decision of May 09, 2019 and required adjustment will be submitted to NEPRA after any change in the heat rate pursuant to review procedures.

13. K-Electric further, in its monthly cost variation request of June 2019 dated July 12, 2019, submitted that heat rate tests of KCCP and SGTPS plants have been conducted on June 15 & 16 and July 6 & 7 2019, respectively, whereas heat rate tests of other plants is planned to be conducted in due course.

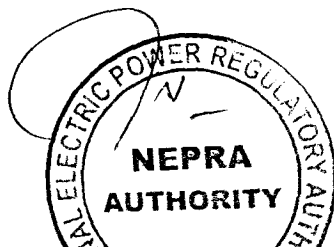
14. K-Electric provided the plant wise generation statistics sheet, signed by K-Electric employees. The plant wise statistics sheet provides details in terms of Plant Capacity, Actual Units Generated, Actual Auxiliary consumption, Net Generation and Bus Bar sent outs, Actual Heat Rates, fuel consumption & cost of Fuel and Generation cost per unit. In addition K-Electric also provided copies of invoices raised by Fuel Suppliers and copies of invoices raised by IPPs. The Authority also obtained certain additional information from K-Electric with respect to actual calorific value of RFO consumed, status of fuel supply agreements, Audited accounts of IPPs, Capacity verification criteria for IPPs, EMO as per the Grid Code & plant utilization factors, detail of penalties imposed on external power sources, consumer wise details of write-offs etc.

15. The Authority based on the information, data and record provided by K-Electric, has analyzed the FCA claims of K-Electric as under;

K-Electric Own Generation

16. In order to verify the generation numbers reported by K-Electric, the Authority analyzed the plant wise generation statistics sheet, provided by K-Electric. The sheet provided details in terms of plant capacity, actual units generated, actual auxiliary consumption, net generation and bus bar sent outs, actual heat rates, fuel consumption & cost of fuel and generation cost per unit.

17. The Authority noted that as per the plant wise generation statistic sheets, the actual auxiliary and actual sent out heat rates of KCCPP (220 MW) are lower than the Authority's allowed auxiliary/heat rates in the MYT 2017 determination of K-Electric. However, since the heat rate test of KCCPP has already been conducted by K-Electric in June 2019 as required in the MYT 2017 determination,



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therefore, any variation in this regard would be adjusted, once the Authority approves the heat rates of KCCPP based on the heat rate tests. Similarly, for the other Power Plants, the heat rates approved by the Authority in the MYT 2017 have been considered while working out the instant adjustments, and any variation in this regard would be adjusted, once the Authority approves the heat rate tests of the respective power plants.

18. The technical issues inert alia following of Economic Merit Order & System Operating Procedures, underutilization, Generation capacity kept on stand by mode by KE and heat rates & auxiliaries etc. would be dealt separately.

19. The generation reported by K-Electric in its adjustment requests have been checked from the plant wise generation statistics sheet; the units sent out have been worked out based on the Authority's allowed Auxiliaries. The units sent out so worked out are in agreement with the sent outs claimed by K-Electric in its adjustment requests.

20. The rates of Gas & RLNG used by K-Electric are as per the rates approved by OGRA and charged by SSGCL to K-Electric for the relevant period. The Authority also noted that no Gas Infrastructure Development Cess (GIDC) has been charged by SSGCL to K-Electric, accordingly no amount on account of GIDC has been included while working out the adjustments of K-Electric.

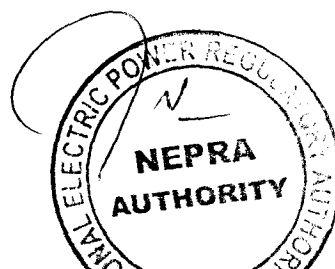
21. Here it is pertinent to mention that the Authority allowed K-Electric immediate application of RLNG as an alternate fuel vide decision dated June 19, 2018. K-Electric in its adjustment claims, however, claimed fuel cost of RLNG as an alternative fuel with effect from April 24, 2018 and accordingly claimed an amount of Rs.423.16 million for the month of April 2018, Rs.2,598.94 million for the month of May 2018, and Rs.1,610.97 for 18 days of June 2018 (*worked out proportionately*), (*total cost of Rs.4,633.07 million*).

22. The Authority observed that although K-Electric was allowed immediate application of RLNG as an alternate fuel vide decision dated June 19, 2018, however, K-Electric started utilizing RLNG as an alternate fuel w.e.f. April 24, 2018 in pursuance of the Cabinet Committee on Energy's (CCoE) directives dated April 23, 2018. In view thereof, and considering the fact that SSGCL has also billed K-Electric for the cost of RLNG during the said period and being a pass through item, the Authority has decided to allow the same w.e.f. April 24, 2018 as claimed by K-Electric being legitimate cost.

Power Purchase Price- Fuel Cost

23. While going through the data / information provided by K-Electric regarding fuel cost of energy purchased from external sources, the Authority's observations are as under;

24. Regarding KANUPP, the Authority observed that as per Clause 6, Billing and Payments, sub clause 6.01 of the PPA executed by K-Electric with KANUPP, for the energy supplied / purchased by KANUPP of KESC, as the case may be, bills shall be raised separately, but payment shall be made on net-out basis. K-Electric, however, in its adjustment claims has included cost of energy purchased



from KANUPP on gross basis i.e. without netting it off for the energy exported to KANUPP. The Authority, therefore, in line with clause 6.01 of the Agreement, has adjusted an amount of Rs.1,119 million from the fuel cost of KANUPP claimed by K-Electric in its adjustment requests.

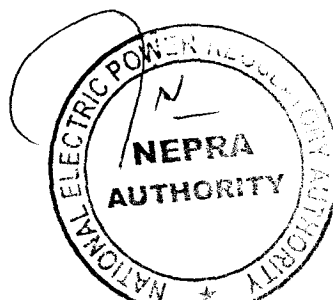
24. For the energy purchased from National Grid, the Authority noted that K-Electric while calculating the fuel cost of energy purchased from the National Grid through CPPA-G, for the month of June 2019, has used the fuel cost approved by the Authority for the month of May 2019 instead of fuel cost approved by the Authority for June 2019, as the FCA of June 2019 of XWDISCOs was not approved by the Authority at the time of filing of adjustment requests by K-Electric. The same has accordingly been adjusted as per the approved rates of June 2019, resulting in decrease in fuel cost by around Rs.79 million for the energy purchased by K-Electric from National Grid during June 2019.

25. Similarly, for the energy purchased from Fauji Power Company Limited (FPCL), the rates used by K-Electric in its adjustments requests for the month of May and June 2019 are not as per the Authority's approved rates for these months. The same has been adjusted as per the rates allowed by the Authority for these months, resulting in decrease in fuel cost of FPCL by around Rs.84 million.

26. The pre-CoD cost of energy delivered by SNPC has been adjusted by around Rs.2 million based on the approved rates of the Authority.

27. The Authority vide its determination dated February 10, 2017 in the matter of tariff determination of STDC for 132 kV transmission line project, decided to cap the loss threshold for STDC at 1%. The Authority also directed that minimum losses should be ensured, endeavoring it to be less than allowed 1%, and a comprehensive mechanism for penalties in case of failure to achieve the targeted losses to be clearly incorporated in the Wheeling Agreement, consistent to broad parameters referred in the determination. The Authority also decided that to account for the cost of lost energy, SNPC shall invoice K-Electric its determined/adjusted variable component while taking into account the impact of transmission losses which have been allowed to STDC. During any month, if the transmission losses are found to be less than the set target of 1% then the energy charge component of each generation source shall be adjusted based on actual losses. However, for the transmission loss of more than 1% in any month, the variable charge of the generation companies shall be invoiced using 1% transmission target loss and the adjustments shall be made in the STDC applicable tariff.

28. The Authority while deciding the Review Motion of STDC dated June 14, 2018, allowed a maximum of 1.5% transmission losses provisionally for the period of six months from COD. The CoD was achieved by the plants in January 2018. Thus, the Authority has allowed 1% transmission loss level to STDC in its decision dated February 10, 2017. Subsequently, the same level was revised to 1.5%, allowed provisionally for the period of six months from the date of CoD. ✓



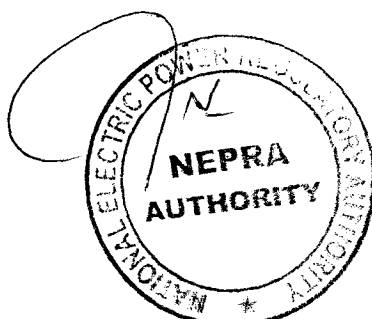
*Decision of the Authority in the matter of Monthly Fuel Charges Adjustments
of K-Electric Limited for the Period from July-16 to June-19*

29. The Actual losses reported by SNPC I & II, based on the energy generation reported by SNPC-I & II and the units delivered at the K-Electric KDA Grid, have remained in excess of the limit allowed by the Authority. Accordingly, the losses have been worked out based on the allowed level of losses i.e. 1% from February to June 2018 and 1.5%, thereafter. K-Electric has also claimed the same percentage of losses i.e. 1% till June 2018 and 1.5% thereafter, however, method of grossing up the fuel component with losses was not in line with the mechanism provided in the determination. Accordingly, the cost of losses as per the mechanism allowed by the Authority works out as Rs.75.122 million i.e. impact of losses on fuel cost till June 2019, which has been considered, while working out the instant adjustments. The amount so worked out has been lower by Rs.0.553 million as compared to the cost claimed by K-Electric in its adjustment requests.

30. Here it is pertinent to mention that while working out the FCA of K-Electric, the impact of positive monthly FCA not to be recovered from the life line consumers and negative monthly FCAs not to be passed on to life line consumers, domestic consumers up-to 300 units and agriculture consumers have been accounted for while working out the quarterly adjustments.

31. In view of the aforementioned discussion and after incorporating the above adjustments, the Authority has decided to allow the following FCAs to be passed on to the consumers directly in their monthly bills for the period from July 2016 to June 2019;

Description	Unit	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	
Fuel Cost	Own Generation	Rs. Mln	6,107	5,752	5,339	5,582	4,101	3,453	2,395	2,279	4,012	4,867	6,129	6,42
	External Purchases	Rs. Mln	2,991	2,995	2,599	3,190	2,468	3,763	3,736	3,109	4,106	4,080	3,792	3,85
	Total	Rs. Mln	9,099	8,747	7,938	8,772	6,569	7,215	6,131	5,389	8,118	8,946	9,921	10,28
Total Units	Own Generation	GWh	1,007	950	886	906	660	538	420	445	679	854	1,044	1,07
	External Purchases	GWh	624	629	586	600	544	591	552	525	613	629	637	67
	Total	GWh	1,630	1,580	1,472	1,506	1,204	1,129	972	970	1,292	1,483	1,680	1,75
Fuel Cost Component (FCC)	Own Generation	Rs./kWh	3.7465	3.6412	3.6265	3.7057	3.4071	3.0579	2.4635	2.3495	3.1044	3.2821	3.6476	3.662
	External Purchases	Rs./kWh	1.8351	1.8962	1.7657	2.1178	2.0501	3.3325	3.8431	3.2050	3.1772	2.7512	2.2571	2.195
	Total	Rs./kWh	5.5816	5.5374	5.3922	5.8235	5.4572	6.3904	6.3066	5.5545	6.2816	6.0333	5.9047	5.861
Reference FCC	Own Generation	Rs./kWh	2.9265	2.9265	2.9265	3.6265	3.6265	3.6265	3.0579	3.0579	3.0579	3.1044	3.1044	3.104
	External Purchases	Rs./kWh	2.2622	2.2622	2.2622	1.7657	1.7657	1.7657	3.3325	3.3325	3.3325	3.1772	3.1772	3.177
	Total	Rs./kWh	5.1887	5.1887	5.1887	5.3922	5.3922	5.3922	6.3904	6.3904	6.3904	6.2816	6.2816	6.281
Fuel Charges Adjustment (FCA)	Own Generation	Rs./kWh	0.8200	0.7147	0.7000	0.0792	(0.2194)	(0.5686)	(0.5944)	(0.7084)	0.0465	0.1777	0.5432	0.558
	External Purchases	Rs./kWh	(0.4271)	(0.3660)	(0.4965)	0.3521	0.2844	1.5668	0.5106	(0.1275)	(0.1553)	(0.4260)	(0.9201)	(0.978
	Total	Rs./kWh	0.3929	0.3487	0.2035	0.4313	0.0650	0.9982	(0.0838)	(0.8359)	(0.1088)	(0.2483)	(0.3769)	(0.419
FCA Already Allowed	Rs./kWh	0.1300	0.1200	0.0100	0.4700	0.2500	-	-	-	-	-	-	-	
Net FCA	Rs./kWh	0.2629	0.2287	0.1935	0.0387	(0.1850)	0.9982	(0.0838)	(0.8359)	(0.1088)	(0.2483)	(0.3769)	(0.419	
Variation in Fuel Cost	Own Generation	Rs. Mln	1,337	1,129	1,030	119	(264)	(642)	(578)	(687)	60	263	913	98
	External Purchases	Rs. Mln	(696)	(578)	(731)	530	342	1,769	496	(124)	(201)	(632)	(1,546)	(1,71
	Total	Rs. Mln	640	551	300	650	78	1,127	(81)	(811)	(141)	(368)	(633)	(73

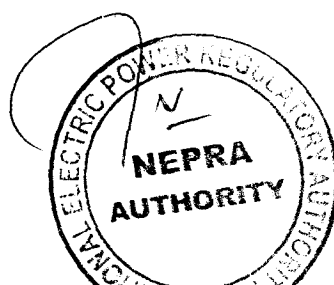


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Description		Unit	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun
Fuel Cost	Own Generation	Rs. Mln	5,507	6,254	5,326	5,793	3,944	2,363	2,808	3,103	5,463	7,005	9,960	10,000
	External Purchases	Rs. Mln	3,767	3,442	3,428	3,977	2,804	2,977	3,973	3,576	5,092	5,110	5,971	5,000
	Total	Rs. Mln	9,274	9,696	8,754	9,770	6,748	5,340	6,780	6,678	10,555	12,115	15,931	15,000
Total Units	Own Generation	GWh	979	1,014	923	955	693	477	455	454	691	821	1,063	1,000
	External Purchases	GWh	665	629	648	672	545	525	591	606	731	735	786	700
	Total	GWh	1,644	1,644	1,571	1,626	1,238	1,001	1,046	1,060	1,422	1,556	1,849	1,700
Fuel Cost Component (FCC)	Own Generation	Rs./kWh	3.3495	3.8044	3.3902	3.5620	3.1866	2.3597	2.6834	2.9269	3.8416	4.5025	5.3875	5.6000
	External Purchases	Rs./kWh	2.2911	2.0940	2.1824	2.4455	2.2660	2.9730	3.7968	3.3731	3.5806	3.2848	3.2299	2.8000
	Total	Rs./kWh	5.6406	5.8984	5.5726	6.0075	5.4526	5.3327	6.4802	6.3000	7.4222	7.7873	8.6174	8.4000
Reference FCC	Own Generation	Rs./kWh	3.6628	3.6628	3.6628	3.3902	3.3902	3.3902	2.3597	2.3597	2.3597	3.8416	3.8416	3.8000
	External Purchases	Rs./kWh	2.1990	2.1990	2.1990	2.1824	2.1824	2.1824	2.9730	2.9730	2.9730	3.5806	3.5806	3.5000
	Total	Rs./kWh	5.8618	5.8618	5.8618	5.5726	5.5726	5.5726	5.3327	5.3327	5.3327	7.4222	7.4222	7.3000
Fuel Charges Adjustment (FCA)	Own Generation	Rs./kWh	(0.3133)	0.1416	(0.2726)	0.1718	(0.2036)	(1.0305)	0.3237	0.5672	1.4819	0.6609	1.5459	1.7000
	External Purchases	Rs./kWh	0.0921	(0.1050)	(0.0166)	0.2631	0.0836	0.7906	0.8238	0.4001	0.6076	(0.2958)	(0.3507)	(0.7000)
	Total	Rs./kWh	(0.2212)	0.0366	(0.2892)	0.4349	(0.1200)	(0.2399)	1.1475	0.9673	2.0895	0.3651	1.1952	1.0000
FCA Already Allowed	Rs./kWh	-	-	-	-	-	-	-	-	-	-	-	-	
Net FCA	Rs./kWh	(0.2212)	0.0366	(0.2892)	0.4349	(0.1200)	(0.2399)	1.1475	0.9673	2.0895	0.3651	1.1952	1.0000	
Variation in Fuel Cost	Own Generation	Rs. Mln	(515)	233	(428)	279	(252)	(1,032)	339	601	2,107	1,028	2,858	3,000
	External Purchases	Rs. Mln	151	(173)	(26)	428	103	792	862	424	864	(460)	(648)	(1,000)
	Total	Rs. Mln	(364)	60	(454)	707	(149)	(240)	1,201	1,025	2,971	568	2,210	2,000

Description		Unit	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun
Fuel Cost	Own Generation	Rs. Mln	11,159	9,684	9,627	12,618	9,550	6,823	4,943	5,625	7,193	10,288	13,116	13,000
	External Purchases	Rs. Mln	5,380	5,023	4,772	5,296	3,908	3,907	5,006	2,913	3,660	4,695	5,712	5,000
	Total	Rs. Mln	16,539	14,707	14,399	17,914	13,458	10,730	9,949	8,538	10,853	14,983	18,828	18,000
Total Units	Own Generation	GWh	1,077	957	914	986	798	554	419	472	673	952	1,114	1,000
	External Purchases	GWh	751	680	655	678	581	537	596	486	586	663	759	700
	Total	GWh	1,829	1,637	1,568	1,663	1,379	1,090	1,015	959	1,259	1,615	1,873	1,700
Fuel Cost Component (FCC)	Own Generation	Rs./kWh	6.1026	5.9140	6.1383	7.5851	6.9266	6.2566	4.8698	5.8686	5.7136	6.3706	7.0036	6.9000
	External Purchases	Rs./kWh	2.9424	3.0678	3.0430	3.1838	2.8348	3.5830	4.9319	3.0391	2.9074	2.9073	3.0501	3.1000
	Total	Rs./kWh	9.0450	8.9818	9.1813	10.7689	9.7614	9.8396	9.8017	8.9077	8.6210	9.2779	10.0537	10.0000
Reference FCC	Own Generation	Rs./kWh	5.6280	5.6280	5.6280	6.1383	6.1383	6.1383	6.2566	6.2566	6.2566	5.7136	5.7136	5.7000
	External Purchases	Rs./kWh	2.8022	2.8022	2.8022	3.0430	3.0430	3.0430	3.5830	3.5830	3.5830	2.9074	2.9074	2.9000
	Total	Rs./kWh	8.4302	8.4302	8.4302	9.1813	9.1813	9.1813	9.8396	9.8396	9.8396	8.6210	8.6210	8.6000
Fuel Charges Adjustment (FCA)	Own Generation	Rs./kWh	0.4746	0.2860	0.5103	1.4468	0.7883	0.1183	(1.3868)	(0.3880)	(0.5430)	0.6570	1.2900	1.2000
	External Purchases	Rs./kWh	0.1402	0.2656	0.2408	0.1408	(0.2082)	0.5400	1.3489	(0.5439)	(0.6756)	(0.0001)	0.1427	0.2000
	Total	Rs./kWh	0.6148	0.5516	0.7511	1.5876	0.5801	0.6583	(0.0379)	(0.9319)	(1.2186)	0.6569	1.4327	1.4000
FCA Already Allowed	Rs./kWh	-	-	-	-	-	-	-	-	-	-	-	-	
Net FCA	Rs./kWh	0.6148	0.5516	0.7511	1.5876	0.5801	0.6583	(0.0379)	(0.9319)	(1.2186)	0.6569	1.4327	1.4000	
Variation in Fuel Cost	Own Generation	Rs. Mln	868	468	800	2,407	1,087	129	(1,408)	(372)	(684)	1,061	2,416	2,200
	External Purchases	Rs. Mln	256	435	378	234	(287)	589	1,369	(521)	(851)	(0)	267	500
	Total	Rs. Mln	1,124	903	1,178	2,641	800	718	(38)	(893)	(1,534)	1,061	2,683	2,700

32. The Authority also being cognizant of the fact that the period for which FCAs are being allowed i.e. July 2016 to June 2019, has already lapsed and variations on account of fuel cost have not yet been recovered/ passed on to the consumers. The Authority believes that any such variations need



to be passed on to the consumers in timely manner in order to ensure financial viability of the Company, which otherwise would result in piling up of the legitimate costs and may impact the financial viability of the Company. However, at the same, the Authority in the interest of the consumers, needs to ensure that consumers' are not overburdened by passing on the allowed costs in one go.

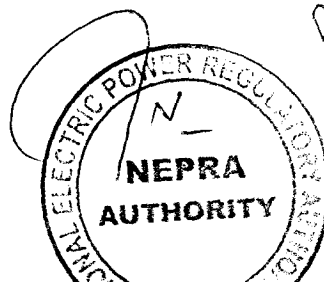
33. In view thereof, the Authority has decided to allow the recovery of the aforementioned FCAs from the consumers in a period of twelve months starting from January 2020 as per the schedule given below;

To be Recovered in	FCAs Pertaining to
January 2020	July 2016, August 2016, September 2016 October 2016, November 2016 & December 2016
February 2020	January 2017, February 2017, March 2017 August 2017, October 2017 & March 2018
March 2020	July 2017, Septmeber 2017, November 2017 December 2017, January 2018, April 2018 & June 2018
April 2020	April 2017, May 2017, June 2017 February 2018 & May 2018
May 2020	September 2018, October 2018 & February 2019
June 2020	March 2019, April 2019 & May 2019
July 2020	July 2018 & August 2018
August 2020	November 2018, December 2018 & Januray 2019
September 2020	June 2019

34. In view of the aforementioned, the Authority hereby directs K-Electric that in case of positive monthly FCAs, the same;

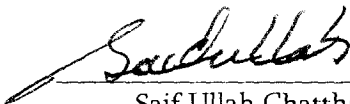
- a. Shall be applicable to all the consumer categories except lifeline consumers. ✓
- b. Shall be shown separately in the consumers' bills on the basis of units billed to the consumers in the respective month to which the adjustment pertains. ✓
- c. K-Electric shall reflect the fuel charges adjustment in respect of each month in the billing month as per the Schedule given above. ✓
- d. While effecting the Fuel Adjustment Charges, K-Electric shall keep in view and strictly comply with the orders of the courts notwithstanding this order. ✓

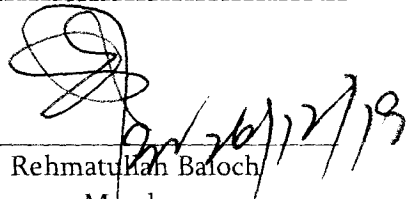
35. Similarly, in case of negative FCAs, the same;

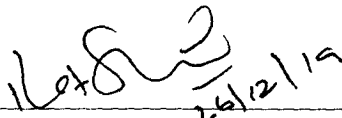



- a. Shall be applicable to all the consumer categories except lifeline consumers, domestic consumers consuming up-to 300 units and Agriculture Consumers of K-Electric. It is hereby clarified that negative adjustment on account of monthly FCA is also applicable to the domestic consumers having Time of Use (ToU) meters irrespective of their consumption level.
- b. Shall be shown separately in the consumers' bills on the basis of units billed to the consumers in the respective month to which the adjustment pertains.
- c. K-Electric shall reflect the fuel charges adjustment in respect of each month in the billing month as per the Schedule given above.
- d. While effecting the Fuel Adjustment Charges, K-Electric shall keep in view and strictly comply with the orders of the courts notwithstanding this order.

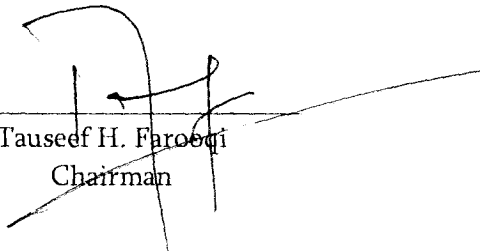
AUTHORITY

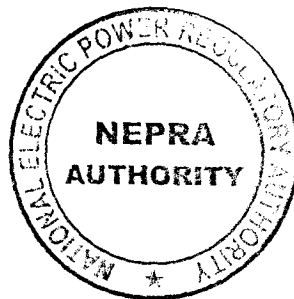

Saif Ullah Chattha 24.12.2019
Member

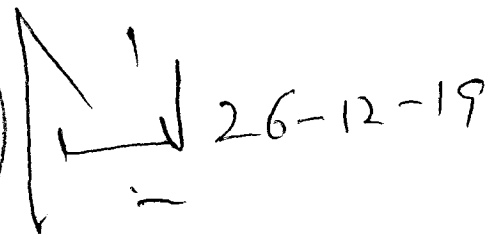

Rehmatullah Baloch
Member


Rafique Ahmed Shaikh
Member


Engr. Bahadur Shah
Vice Chairman


Tauseef H. Farooqi
Chairman




26-12-19

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

National Electric Power Regulatory Authority



NOTIFICATION

27th

Islamabad, the 26th day of December 2019

S.R.O. 1621 (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 and as per the mechanism for monthly, quarterly and annual adjustments provided in the Tariff Determination of K-Electric Ltd. dated July 05, 2018 duly notified in the official Gazette vide SRO 576(I)/2019 dated May 22, 2019, National Electric Power Regulatory Authority (NEPRA) makes and notifies the following adjustments in the approved tariff on account of variation in fuel charges for the period July 2016 to June 2019 in respect of K-Electric Limited:

FCA to be calculated on the basis of billing for the Month of	Rs./kWh	Charged in Consumer Bills to be issued in the Month of
July 2016	0.2629	January 2020
August 2016	0.2287	January 2020
September 2016	0.1935	January 2020
October 2016	(0.0387)	January 2020
November 2016	(0.1850)	January 2020
December 2016	0.9982	January 2020
January 2017	(0.0838)	February 2020
February 2017	(0.8359)	February 2020
March 2017	(0.1088)	February 2020
April 2017	(0.2483)	April 2020
May 2017	(0.3769)	April 2020
June 2017	(0.4198)	April 2020
July 2017	(0.2212)	March 2020
August 2017	0.0366	February 2020
September 2017	(0.2892)	March 2020
October 2017	0.4349	February 2020
November 2017	(0.1200)	March 2020
December 2017	(0.2399)	March 2020

January 2018	1.1475	March 2020
February 2018	0.9673	April 2020
March 2018	2.0895	February 2020
April 2018	0.3651	March 2020
May 2018	1.1952	April 2020
June 2018	1.0080	March 2020
July 2018	0.6148	July 2020
August 2018	0.5516	July 2020
September 2018	0.7511	May 2020
October 2018	1.5876	May 2020
November 2018	0.5801	August 2020
December 2018	0.6583	August 2020
January 2019	(0.0379)	August 2020
February 2019	(0.9319)	May 2020
March 2019	(1.2186)	June 2020
April 2019	0.6569	June 2020
May 2019	1.4327	June 2020
June 2019	1.4748	September 2020

2. In case of positive monthly FCAs, the same:
 - 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 respective month to which the adjustment pertains.
 - c) K-Electric shall reflect the fuel charges adjustment in respect of each month in the billing month as per the Schedule given above.
3. Similarly, in case of negative FCAs, the same:
 - a) Shall be applicable to all the consumer categories except lifeline consumers, domestic consumers consuming up-to 300 units and Agriculture Consumers of K-Electric. 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.
 - b) Shall be shown separately in the consumers' bills on the basis of units billed to the consumers in the respective month to which the adjustment pertains.
 - c) K-Electric Ltd. shall reflect the fuel charges adjustment in respect of each month in the billing month as per the Schedule given above.
4. While effecting the Fuel Adjustment Charges, K-Electric Ltd. shall keep in view and strictly comply with the orders of the courts notwithstanding this order.

26/12/15
(Iftikhar Ali Khan)
Registrar