



Ref. No. RA&SP/NEPRA/071/1196

Dated: November 21, 2014

The Registrar
N.E.P.R.A
NEPRA Office Tower,
Ataturk Avenue, G-5/1
Islamabad

Subject: **MONTHLY FUEL COST ADJUSTMENT (FCA) DUE TO VARIATION IN FUEL AND POWER PURCHASE PRICE FOR THE MONTH OF OCTOBER 2014**

Dear Sir

This is with reference to fuel cost adjustment based on units sent out for the month of October 2014, as per tariff determination of 23rd December 2009.

Required Monthly Adjustment:

The submission is based on the original invoice of NTDC for the month of Sep-14 and the units sent out on Gas and Furnace oil at Bin Qasim Power Station haven been worked out in the ratio of actual units generated on Gas & F.Oil at BQPS-I. It may please be noted that the price of Gas is taken without GID-Cess as per the order of Sindh High Court, Suit # 2013 of 2014 dated 21.10.2014.

The summarized position is as under;

DESCRIPTION	October-2014 (Over Sep-14)	
	(Mill. Rs.)	(Ps./kWh)
Fuel Price Variation	(894.749)	(62.889)
Power Purchase Price Variation	(152.349)	(10.708)
Total Fuel Costs Adjustment	(1,047.098)	(73.597)

Economic Dispatch Order

KE dispatches as per Economic Merit Order from its own generating units (with the available fuel resources) and import from external sources. It is also certified that the cost of fuel and power purchase claimed does not include any amount of late payment surcharge/ markup/ interest. All the requisite details including generating statistic sheets and invoices are attached.

Further, we reiterate our earlier submission Ref.: GM (RA)/NEPRA/2014/274 dated: 03-Oct-14, regarding approval of pending Heat Rate results.

Sincerely,

M. Aamir Ghaziani
M. Aamir Ghaziani
Director (Finance & Regulations)

Encl.

For information & use of

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SAT-I
GA to
SATech
Dir (LC)
M/P

25.11.14
Chairman
CC: VC/M (LC)
M (T)
M (CA)
M (M&E)

Formerly Karachi Electric Supply Company Limited

K-Electric Limited, KE House, 39-B, Sunset Boulevard, DHA II, Karachi, Pakistan.

Phone: 92-21-32637133, UAN: 111-537-211 Fax: 92-21- 99205165. Website: www.ke.com.pk

Senior Advisor Tariff-II

Diary No: 1575

Date: 27-11-14

Senior Advisor Tariff-I

Diary No: 8135

Date: 26-11-14

0166
Dated: 25/11/14
D No: 25/11/14

K Electric Limited (Formerly KESC Ltd.)**SUMMARY OF REQUIRED ADJUSTMENT ON ACCOUNT OF VARIATION IN COST OF FUEL AND POWER PURCHASES**

DESCRIPTION		Sep-14	Oct-14
1 MONTHLY ALLOWABLE ADJUSTMENT ON UNITS SENT OUT BASIS			
a. Monthly Variation in			
I Fuel Price	Mill Rs.	47.367	(894.749)
II Power Purchase Price - Fuel component	Mill Rs.	(229.842)	(152.349)
III Total Monthly Variation (I + II) - Over Reference Tariff	Mill Rs.	(182.475)	(1,047.098)
b. Units Sent Out			
	Mill kWh	1,483.589	1,422.753
2 a Monthly Variation in FSA - due to			
I Fuel Price	Ps/kWh	3.193	(62.889)
II Power Purchase Price - Fuel component	Ps/kWh	(15.492)	(10.708)
b Monthly Increase/decrease to be passed to Consumers (I+II)	Ps/kWh	(12.300)	(73.597)

Work Sheet- Generation Fuel Cost Variation

DESCRIPTION		Sep-14	Oct-14
1 UNITS SENT OUT - KE			
1a UNITS SENT OUT ON GAS			
i Bin Qasim	Mill kWh	160.858	189.690
ii Bin Qasim II - CCPP	Mill kWh	328.592	349.638
iii Korangi Thermal	Mill kWh	(0.074)	(0.068)
iv Korangi Gas 2	Mill kWh	48.117	48.567
v Site Gas 2	Mill kWh	18.264	24.277
vi Korangi combined	Mill kWh	79.515	84.128
Total (i to viii)	Mill kWh	635.272	696.233
1b UNITS SENT OUT ON F. OIL			
i Bin Qasim	Mill kWh	212.768	101.071
Total (i to viii)	Mill kWh	212.768	101.071
1c TOTAL UNITS SENT OUT (1 + 2)			
i Bin Qasim	Mill kWh	373.626	290.761
ii Bin Qasim II - CCPP	Mill kWh	328.592	349.638
iii Korangi Thermal	Mill kWh	(0.074)	(0.068)
iv Korangi Gas 2	Mill kWh	48.117	48.567
v Site Gas 2	Mill kWh	18.264	24.277
vi Korangi combined	Mill kWh	79.515	84.128
Total (i to vii)	Mill kWh	848.040	797.304
2 HEAT RATE AT BUS BAR			
2a Heat Rate of GAS - of item 1			
i Bin Qasim	Btu/kWh	10,650	10,650
ii Bin Qasim II - CCPP	Btu/kWh	8,605	8,605
iv Korangi Gas 2	Btu/kWh	9,500	9,500
v Site Gas 2	Btu/kWh	9,500	9,500
vi Korangi combined	Btu/kWh	9,110	9,110
2b CONVERSION FACTOR F. OIL - of item 2			
i Bin Qasim	Kg/kWh	0.264	0.264
ii Korangi Thermal	Kg/kWh	0.340	0.340
3 FUEL PRICES			
a. Fuel Prices- Gas (Rs/MMBTu)	Rs/MMBTu	488.23	488.23
b. Fuel Price -F.O (Rs/Kg)	Rs/Kg	68,383	65,925
4 COST OF FUEL			
4a COST OF GAS			
i Bin Qasim	Mill Rs	836.405	986.322
ii Bin Qasim II - CCPP	Mill Rs	1,380.487	1,468.906
iii Korangi Thermal	Mill Rs	-	-
iv Korangi Gas 2	Mill Rs	223.174	225.265
v Site Gas 2	Mill Rs	84.711	112.603
vi Korangi combined	Mill Rs	353.666	374.184
Total (i to vii)	Mill Rs	2,878.443	3,167.279
4b COST OF FURNACE OIL			
i Bin Qasim	Mill Rs	3,841.129	1,759.046
Total (i to vii)	Mill Rs	3,841.129	1,759.046

Work Sheet- Generation Fuel Cost Variation

DESCRIPTION		Sep-14	Oct-14
4c TOTAL COST OF FUEL			
i Bin Qasim	Mill Rs	4,677.535	2,745.368
ii Bin Qasim II - CCPP	Mill Rs	1,380.487	1,468.906
iv Korangi Gas 2	Mill Rs	223.174	225.265
v Site Gas 2	Mill Rs	84.711	112.603
vi Korangi combined	Mill Rs	353.666	374.184
Total	Mill Rs	6,719.573	4,926.325
5 COST OF FUEL PER KWH			
a Bin Qasim	Rs/kWh	12.519	9.442
b Bin Qasim II - CCPP	Rs/kWh	4.201	4.201
d Korangi Gas 2	Rs/kWh	4.638	4.638
e Site Gas 2	Rs/kWh	4.638	4.638
f Korangi combined	Rs/kWh	4.448	4.448
6 INCREASE/DECREASE IN COST OF FUEL PER KWH			
a Bin Qasim	Rs/kWh	0.225	(3.077)
b Bin Qasim II - CCPP	Rs/kWh	-	-
d Korangi Gas 2	Rs/kWh	(0.257)	-
e Site Gas 2	Rs/kWh	(0.257)	-
f Korangi combined	Rs/kWh	(0.246)	-
7 INCREASE / DECREASE IN FUEL COST OVER PREVIOUS MONTH			
a Bin Qasim	Mill Rs	83.952	(894.749)
b Bin Qasim II - CCPP	Mill Rs	-	-
d Korangi Gas 2	Mill Rs	(12.342)	-
e Site Gas 2	Mill Rs	(4.685)	-
f Korangi combined	Mill Rs	(19.558)	-
Total (a to g)	Mill Rs	47.367	(894.749)
8 INCREASE / DECREASE IN TARIFF TO BE PASSED IN THE MONTHLY BILLS			
a Fuel price variation (Item 7-h)	Mill Rs	47.367	(894.749)
b Units Sent Out - KE	Mill kWh	848.040	797.304
c Power Purchase	Mill kWh	635.549	625.450
d Total Units Sent Out (b + c)	Mill kWh	1,483.589	1,422.753
e Increase / Decrease in Tariff (8a / 8d x 100)			
To be passed on to the consumers - FSA	Ps/kWh	3.193	(62.889)
9 INCREASE / DECREASE IN REVENUE			
a Units Sold	Mill kWh	1,261.051	1,209.340
b Increase / Decrease in Tariff	Ps/kWh	3.193	(62.889)
c Increase / Decrease in Revenue (9a / 9b x 100)	Mill Rs	40.262	(760.537)
d Accumulated Increase / decrease in revenue	Mill Rs	(839.762)	(760.537)
d Unrecovered Cost due to T&D loss		7.105	(134.212)
10 INCREASE / DECREASE IN TARIFF TO BE ADJUSTED ON QUARTERLY BASIS			
a Fuel price variation - Item 8a	Mill Rs	47.367	(894.749)
b Units Sent Out - KE	Mill kWh	848.040	797.304
c Power Purchase	Mill kWh	635.549	625.450
d Total Units Sent Out	Mill kWh	1,483.589	1,422.753
e Trans & Dist Losses		15%	15%
f Units Sold (10d - 10e)	Mill kWh	1,261.051	1,209.340

Work Sheet- Power Purchase Cost Variation

DESCRIPTION		Sep-14	Oct-14
1 POWER PURCHASES			
a	KANUPP Mill kWh	21.958	44.611
b	PASMIC Mill kWh	3.791	7.167
c	TAPAL Mill kWh	74.191	59.480
d	GUL AHMED Mill kWh	68.660	47.503
e	NTDC/WAPDA Mill kWh	452.612	452.468
f	ANOUD POWER Mill kWh	8.038	8.280
h	INT IND (IIL) Mill kWh	6.298	5.940
m	TQTAL Mill kWh	635.549	625.450
2 COST OF POWER PURCHASE - FUEL COST			
a	KANUPP Mill Rs	185.216	293.563
b	PASMIC Mill Rs	31.980	47.165
c	TAPAL Mill Rs	1,046.904	846.617
d	GUL AHMED Mill Rs	1,057.092	742.774
e	NTDC/WAPDA Mill Rs	3,179.690	3,332.142
f	ANOUD POWER Mill Rs	88.713	87.650
h	INT IND (IIL) Mill Rs	35.226	33.175
m	TOTAL Mill Rs	5,624.821	5,383.087
3 COST OF POWER PURCHASE- Fuel Cost/kWh			
a	KANUPP Rs/kWh	8.435	6.581✓
b	PASMIC Rs/kWh	8.435	6.581✓
c	TAPAL Rs/kWh	14.111	14.234
d	GUL AHMED Rs/kWh	15.396	15.636
e	NTDC/WAPDA Rs/kWh	7.025	7.364
f	ANOUD POWER Rs/kWh	11.036	10.586✓
h	INT IND (IIL) Rs/kWh	5.593	5.585
m	AVERAGE Rs/kWh	8.850	8.607
4 INCREASE / DECREASE IN FUEL COMPONENT OF POWER PURCHASE - TO BE PASSED IN THE MONTHLY BILLS			
a	Average Monthly Fuel cost of Rs/kWh	8.850	8.607
b	Reference Rate - Previous Month Rs/kWh	9.212	8.850
c	Increase / Decrease in Average Rs/kWh	(0.362)	(0.244)
d	Total Power Purchase (Item Mill kWh	635.549	625.450
e	Increase / Decrease in Fuel Cost Mill Rs	(229.842)	(152.349)
5 INCREASE / DECREASE IN TARIFF TO BE PASSED IN THE MONTHLY BILLS			
a	Fuel price variation in cost of power purch	(229.842)	(152.349)
b	Units Sent Out - KE Mill kWh	848.040	797.304
c	Power Purchase Mill kWh	635.549	625.450
d	Total Units Sent Out (b + c) Mill kWh	1,483.589	1,422.753
e	Increase / Decrease in Tariff (5a / 5d x 100)		
	To be passed on to the consumr Ps/kWh	(15.492)	(10.708)
6 INCREASE / DECREASE IN REVENUE			
a	Units Sold Mill kWh	1,261.051	1,209.340
b	Increase / Decrease in Tariff (It Ps/kWh	(15.492)	(10.708)
c	Increase / Decrease in Revenue Mill Rs	(195.366)	(129.497)
d	Accumulated Increase / decrease Mill Rs	(372.861)	(129.497)

Work Sheet- Power Purchase Cost Variation

DESCRIPTION		Sep-14	Oct-14
7 O&M PAYMENT			
a	KANUPP Mill Rs	18.362	37.304
b	PASMIC Mill Rs	10.393	19.647
c	TAPAL Mill Rs	74.020	59.343
d	GUL AHMED Mill Rs	39.988	27.666
e	NTDC/WAPDA Mill Rs	823.486	872.207
f	ANOUD POWER Mill Rs	14.600	15.039
h	INT IND (IIL) Mill Rs	9.762	9.286
m	TOTAL Mill Rs	990.611	1,040.492
8 O&M PAYMENT (Rs/kWh)			
a	KANUPP Rs/kWh	0.836	0.836
b	PASMIC Rs/kWh	2.741	2.741
c	TAPAL Rs/kWh	0.998	0.998
d	GUL AHMED Rs/kWh	0.582	0.582
e	NTDC/WAPDA Rs/kWh	1.819	1.928
f	ANOUD POWER Rs/kWh	1.816	1.816
h	INT IND (IIL) Rs/kWh	1.550	1.563
m	TOTAL Rs/kWh	1.559	1.664
n	Variation over Base Rate Rs/kWh	(0.032)	0.105
o	Variation over Base Rate (8a*1r Mill Rs	(20.583)	65.623
9 CAPACITY PAYMENT			
c	TAPAL Mill Rs	133.455	134.834
d	GUL AHMED Mill Rs	123.121	111.333
m	TOTAL Mill Rs	256.576	246.166
10 CAPACITY PAYMENT (Rs/ kWh)			
c	TAPAL Rs/kWh	1.799	2.267
d	GUL AHMED Rs/kWh	1.793	2.344
m	TOTAL Rs/kWh	0.404	0.394
n	Variation over Base Rate Rs/kWh	(0.029)	(0.010)
o	Variation over Base Rate (10n*: Mill Rs	(18.279)	(6.332)
11 TOTAL O&M & CAPACITY PAYMENT			
a	KANUPP Mill Rs	18.362	37.304
b	PASMIC Mill Rs	10.393	19.647
c	TAPAL Mill Rs	207.475	194.177
d	GUL AHMED Mill Rs	163.109	138.999
e	NTDC/WAPDA Mill Rs	823.486	872.207
f	ANOUD POWER Mill Rs	14.600	15.039
h	INT IND (IIL) Mill Rs	9.762	9.286
m	TOTAL Mill Rs	1,247.187	1,286.658
12 TOTAL COST WITH O&M AND CAPACITY P			
		2,577.89	2,025.26
a	KANUPP Mill Rs	203.578	330.868
b	PASMIC Mill Rs	42.372	66.812
c	TAPAL Mill Rs	1,254.379	1,040.793
d	GUL AHMED Mill Rs	1,220.201	881.773
e	NTDC/WAPDA Mill Rs	4,003.176	4,204.349
f	ANOUD POWER Mill Rs	103.313	102.690
h	INT IND (IIL) Mill Rs	44.988	42.460
m	TOTAL Mill Rs	6,872.007	6,669.745

Work Sheet- Power Purchase Cost Variation

DESCRIPTION	Sep-14	Oct-14
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13 COST OF POWER PURCHASE- TOTAL Cost/kWh

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a	KANUPP	Rs/kWh	9.271	7.417
b	PASMIC	Rs/kWh	11.176	9.322
c	TAPAL	Rs/kWh	16.908	17.498
d	GUL AHMED	Rs/kWh	17.772	18.562
e	NTDC/WAPDA	Rs/kWh	8.845	9.292
f	ANOUD POWER	Rs/kWh	12.853	12.402
h	INT IND (IIL)	Rs/kWh	7.143	7.148
m	AVERAGE	Rs/kWh	10.813	10.664

14 INCREASE / DECREASE IN POWER PURCHASE COST - TOTAL

a	Average Monthly cost of Pow Rs/kWh	10.813	10.664
b	Reference Rate - Previous Mon Rs/kWh	11.235	10.813
c	Increase / Decrease in Average Rs/kWh	(0.423)	(0.149)
d	Total Power Purchase (Item Mill kWh)	635.549	625.450
e	Increase / Decrease in Total Cost Mill Rs	(268.703)	(93.058)
f	Adjustment in cost of KANUPP		
g	Unrecovered cost Previous Quarter		
h	Total (e+f+g)	(268.703)	(93.058)

15 INCREASE / DECREASE IN TARIFF

TO BE ADJUSTED ON QUARTERLY BASIS

a	Total price variation in cost of p Mill Rs	(268.703)	(93.058)
b	KE - Units Sent Out	Mill kWh	848.040
c	Power Purchase	Mill kWh	635.549
d	Total Units Sent Out (b+c)	Mill kWh	1,483.589
e	Trans & Dist Losses	15.0%	15.0%
f	Units Sold (15d-15e)	Mill kWh	1,261.051
g	Increase / Decrease in Tariff		1,209.340
h	Power Purchase (15a/15f)	Ps/kWh	(21.308)
			(7.695)