

GUJRANWALA ELECTRIC POWER COMPANY LTD.

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Office of the
Chief Executive Officer (GEPCO)
565-A Model Town,
G.T. Road, Gujranwala.

No. 1617-19 /FD/GEPCO/CPC

Dated: 29 -08-2018

The Registrar NEPRA,
NEPRA Tower, Ataturk (East)
G-5/1, Islamabad.

For information & n/a A.
— SAT-I
— ADG (TR)
— SA (Tech) — DG (M&E)
— LA (LLP) — DRB/Op-I/ME
31088
= chairman — M (M&E)
M (T) — M (LH)

**Subject: RE-SUBMISSION OF POWER PURCHASE PRICE
QUARTERLY ADJUSTMENTS APPLICATION FOR THE
FINANCIAL YEAR 2017-18.....**

**RE: GUJRANWALA ELECTRIC POWER COMPANY LIMITED
(GEPCO).**

Respected Sir,

In furtherance of Federal Government notified tariff vide SRO No. 379 dated 22nd March 2018 consequent upon the re-determination of the Authority in respect of GEPCO dated September 18, 2017 and existing S.R.O No. 571 dated 10-06-2015 consequent upon the determination of the Authority in respect of GEPCO dated March 20, 2015, GEPCO is submitting this application for the FY 2018 PPP Adjustment for pertaining to:

1. The capacity and transmission charges being passed on to GEPCO per the notified Transfer Pricing Mechanism;
2. The impact of T&D losses on the component of PPP per the notified tariff;
3. Adjustment of Variable O&M as per actual being passed on to GEPCO as per the notified Transfer Pricing Mechanism.

ADG (Tariff)
Dy. No. 960
Date: 03-09-18

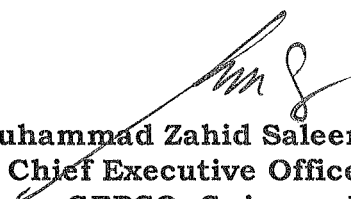
REGISTRAR
Dy. No. 8637
Date: 31-08-18

We shall be grateful if the Authority shall give due consideration to our application to allow the PPP Adjustments for four quarters of FY 2017-18 as per the notified tariff vide SRO No. 379 dated 22nd March 2018 consequent upon the re-determination of the Authority in respect of GEPCO dated September 18, 2017 and existing notified Tariff vide S.R.O No. 571 dated 10-06-2015 consequent upon the determination of the Authority in respect of GEPCO dated March 20, 2015. The application is supported with all requisite data and supporting material annexed as Annex I to V.

In case of any clarification is required, please intimate.

DA/As Above

With best regards,


(Muhammad Zahid Saleem)
Chief Executive Officer,
GEPCO, Gujranwala.

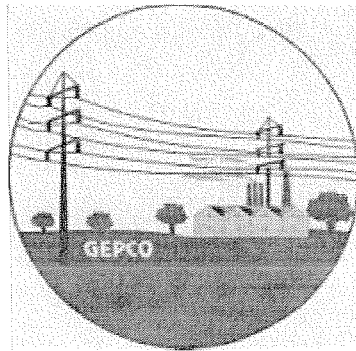
Cc:

1. Chief Executive Officer CPPA-G, Islamabad.
2. Syed Mateen Ahmed, Section Officer (Tariff), Ministry of Energy (Power Division), Islamabad.

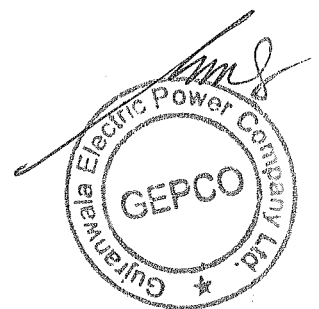
**BEFORE THE NATIONAL ELECTRIC POWER
REGULATORY AUTHORITY (NEPRA)**

**QUARTERLY PPP ADJUSTMENTS APPLICATION PERTAINING TO
FINANCIAL YEAR 2017-18**

RE: GUJRANWALA ELECTRIC POWER COMPANY LIMITED



AUGUST 29 , 2018



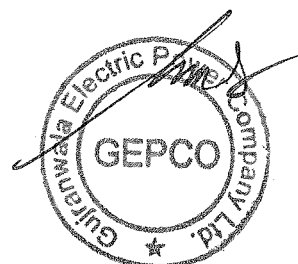
GUJRANWALA ELECTRIC POWER COMPANY LIMITED
ADDRESS: 565- A, MODEL TOWN, G.T. ROAD GUJRANWALA.
PHONE #: +92-55-9200507, FAX #: +92-55-9200530

1. Applicant

1. Gujranwala Electric Power Company Limited (GEPCO) is an Ex-WAPDA Distribution Company (DISCO) owned by the Government of Pakistan (GOP) and incorporated as a Public Limited Company on 25th April 1998 vide company Registration No. L 09498 of 1997-98 under section 32 of the Companies Ordinance, 1984.
2. The Principal Business of GEPCO is to provide electricity to the six districts of Punjab including Gujranwala, Hafizabad, Narowal, Mandibahaudin, Sialkot and Gujrat under Distribution License No. No. 04/DL/2002 granted by NEPRA (the Distribution License).

2. Applicable Tariff

1. GEPCO being a Distribution Licensee of NEPRA had filed a Tariff Petition for the Determination of its Consumer End Tariff for FY 2015-16 under single year tariff regime vide Letter No. GEPCO/FD/927 on 18th August 2015. After conclusion of the proceedings, determination upon the subject was given by the Authority vide NEPRA's letter No. NEPRA/TRF-331/GEPCO-2015/4161-63 dated 29th February 2016.
2. GEPCO filed a Review Application on 10th March 2016, vide Memo No. CEO/FD/GEPCO/4750-54 which was decided by the Authority on 11th May 2016. Thereafter, the Federal Government had also filed a re-consideration request before NEPRA and later on NEPRA Re-Determined Tariff for FY 2015-16 in respect of GEPCO vide Letter No. NEPRA/TRF-331/GEPCO-2015/15603-15605 dated September 18, 2017.
3. Finally, the Federal Government has notified the Tariff for FY 2015-16 in respect of DISCO's on 22nd March 2018 vide SRO No.379 effective from the date of said notification.
4. The instant Quarterly Adjustment Application for the first Three quarters (July-17 to March-18) pertaining to Financial Year 2017-18 is based on the parameters / figures given in the determination of FY 2014-15 notified vide S.R.O No 571 dated 10-06-2015 and 4th quarter pertaining to Financial Year 2017-18 is based on the parameters / figures given in the determination of FY 2015-16 notified vide S.R.O No 379 dated 22-03-2018 .Therefore, the subject application seeks recovery of the cost from end consumers of GEPCO for the FY 2018.



5. On the analogy given above, Quarterly Adjustment Application for the Financial Year 2017-18 are required to be decided by the Authority on account of following:-


**PPP Quarterly Adjustments for FY 2017-18
(July-17 to June-18) FY 2017-18**

S.No.	Description	Unit	Quarterly Adjustments (Mln. Rs)
A	1st Qtr.(Jul- Sep) (Annex-I)	Rs.Mln	800
	2nd Qtr. (Oct-Dec) (Annex-II)	Rs.Mln	2,642
	3rd Qtr. (Jan-Mar) (Annex-III)	Rs.Mln	713
	4th Qtr. (Apr-Jun) (Annex-IV)	Rs.Mln	6,308
	Total Qtrly Adjustment	Rs.Mln	10,464

3. Prayer/ Request

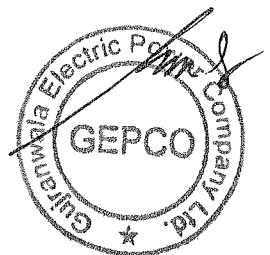
In view of the forgoing, the Authority may give due consideration to the subject application to allow the Quarterly Adjustment for the Financial Year 2017-18 as per the applicable notified tariff in aggregate to Rs. 10,464 million, which may be passed on by way of Rs. 1.458 per unit for the remaining period of the current financial year.

Any other appropriate relief / adjustment deemed fit by the Authority may also be allowed.


(Muhammad Zahid Saleem)
Chief Executive Officer,
GEPCO, Gujranwala.

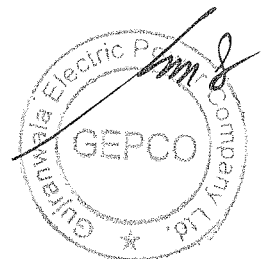
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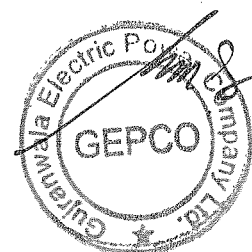
GUJRANWALA ELECTRIC POWER COMPANY LIMITED
PPP Quarterly Adjustments for FY 2017-18
(July-17 to June-18) FY 2017-18

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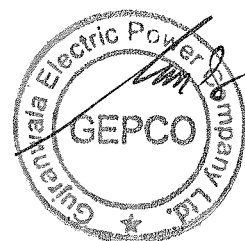
GUJRANWALA ELECTRIC POWER COMPANY LIMITED

S.No.	Description	Jul-17	Aug-17	Sep-17	Total
A	Reference				
	Variable O&M Rs. kWh (A)	0.2436	0.2429	0.2295	
	CPP Rs. kWh (B)	2.8141	2.4841	2.5197	
	UOSC Rs. kWh (C)	0.2698	0.2435	0.2431	
	Units Purchased (MWh) (D)	774	803	805	2,382
	Actual				
	Variable O&M Rs. kWh (E)	0.2630	0.2624	0.3018	
	CPP Rs. kWh (F)	2.3966	2.9496	3.6211	
	UOSC Rs. kWh (G)	0.2297	0.2893	0.3021	
	Units Purchased (MWh) (H)	1,218	1,229	1,098	
	variation				
	Variable O&M Rs. kWh (E - A)	0.019	0.019	0.072	
	CPP Rs. kWh (F - B)	(0.418)	0.465	1.101	
	UOSC Rs. kWh (G - C)	(0.040)	0.046	0.059	
	Total Variation	(0.438)	0.531	1.233	
	Units Purchased (MWh)	1,218	1,229	1,098	3,545
	Imapct				
	Variable O&M Rs. In Million	24	24	79	127
	CPP Rs. In Million	(509)	572	1,209	1,272
	UOSC Rs.in Million	(49)	56	65	72
Total Impact (Rs. In million)	(534)	652	1,353	1,471	
B	Impact of Lasses	(208)	(223)	(240)	(671)
C	Net Qtrly Adjustment(A+B)	(742)	429	1,113	800



GUJRANWALA ELECTRIC POWER COMPANY LIMITED

S.No.	Description	Oct-17	Nov-17	Dec-17	Total
A	Referance				
	Variable O&M Rs. kWh	0.2574	0.2667	0.2961	
	CPP Rs. kWh	2.4236	2.8018	3.1044	
	UOSC Rs. kWh	0.2278	0.2507	0.2725	
	Unit Purchased (M kWh)	663	570	559	1,792
	Actual				
	Variable O&M Rs. kWh	0.2673	0.2968	0.2994	
	CPP Rs. kWh	2.6226	5.8969	4.3777	
	UOSC Rs. kWh	0.3216	0.4238	0.3950	
	Unit Purchased (M kWh)	953	620	651	
	variation				
	Variable O&M Rs. kWh	0.010	0.030	0.003	
	CPP Rs. kWh	0.199	3.095	1.273	
	UOSC Rs. kWh	0.094	0.173	0.122	
	Total Variation	0.303	3.298	1.399	
	Unit Purchased (M kWh)	953	620	651	2,224
	Imapct				
	Variable O&M Rs. In Million	9	19	2	30
	CPP Rs. In Million	190	1,918	829	2,937
	UOSC Rs.in Million	89	107	80	276
Total Impact (Rs. In million)	289	2,044	911	3,243	
B	Impact of Lasses	(215)	(193)	(194)	(601)
C	Net Qtrly Adjustment(A+B)	74	1,851	717	2,642



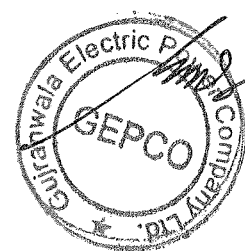
GUJRANWALA ELECTRIC POWER COMPANY LIMITED

S.No.	Description	Jan-18	Feb-18	Mar-18	Total
A	Referance				
	Variable O&M Rs. kWh	0.3118	0.2901	0.3050	
	CPP Rs. kWh	4.9497	3.0514	3.4188	
	UOSC Rs. kWh	0.4241	0.2572	0.2763	
	Unit Purchased (MkWh)	478	496	502	1,476
	Actual				
	Variable O&M Rs. kWh	0.3014	0.2971	0.2918	
	CPP Rs. kWh	4.0361	4.2810	4.7070	
	UOSC Rs. kWh	0.4777	0.3427	0.3030	
	Unit Purchased (MkWh)	646	573	770	1,989
	variation				
	Variable O&M Rs. kWh	(0.010)	0.007	(0.013)	
	CPP Rs. kWh	(0.914)	1.230	1.288	
	UOSC Rs. kWh	0.054	0.086	0.027	
	Total Variation	(0.870)	1.322	1.302	
	Unit Purchased (MkWh)	646	573	770	1,989
	Imapct				
	Variable O&M Rs. In Million	(7)	4	(10)	(13)
	CPP Rs. In Million	(590)	704	992	1,106
	UOSC Rs.in Million	35	49	21	104
Total Impact (Rs. In million)	(562)	757	1,002	1,198	
B	Impact of Lasses	(209)	(131)	(145)	(485)
C	Net Qtrly Adjustment(A+B)	(771)	627	858	713



GUJRANWALA ELECTRIC POWER COMPANY LIMITED
4th QTR (April-18 to June-2018) PPP Adjustment

S.No.	Description	Apr-18	May-18	Jun-18	Total
	Referance				
	Variable O&M Rs. kWh	0.3577	0.3050	0.2891	
	CPP Rs. kWh	3.2853	2.6966	2.6183	
	UOSC Rs. kWh	0.4242	0.3080	0.3511	
	Unit Purchased (MkWh)	593	798	843	2,234
	Actual				
	Variable O&M Rs. kWh	0.3078	0.2844	0.2874	
	CPP Rs. kWh	4.1106	5.6602	4.4996	
	UOSC Rs. kWh	0.3041	0.3334	0.3209	
	Unit Purchased (MkWh)	891	1,126	1,212	3,229
A	variation				
	Variable O&M Rs. kWh	(0.050)	(0.021)	(0.002)	
	CPP Rs. kWh	0.825	2.964	1.881	
	UOSC Rs. kWh	(0.120)	0.025	(0.030)	
	Total Variation	0.655	2.968	1.849	
	Unit Purchased (MkWh)	891	1,126	1,212	3,229
	Imapct				
	Variable O&M Rs. In Million	(45)	(23)	(2)	(70)
	CPP Rs. In Million	736	3,337	2,281	6,354
	UOSC Rs.in Million	(107)	29	(37)	(115)
	Total Impact (Rs. In million)	584	3,342	2,242	6,168
B	Impact of Losses	(62)	138	62	138
C	Net Qtrly Adjustment(A+B+C)	522	3,480	2,304	6,308



GUJRANWALA ELECTRIC POWER COMPANY LIMITED
Losses Impact of FPA

S.No.	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-18	Total
1	Units Purchased	Mkwh	1,218	1,229	1,098	953	620	651	646	573	770	891	1,126	1,211	10,986
		Mkwh	1,097	1,106	988	858	558	586	581	516	693	802	1,013	1,090	9,888
	Units to be Sold [[Actual units x[1-.0998]]	Mkwh													
2	Units lost as per Standard	Mkwh	122	123	110	95	62	65	64	57	77	89	113	122	1,098
3	Reference PPP Actual Notified by NEPRA FPA Notified	Rs./Kwh	6.4933	6.4562	6.4326	7.3369	7.3040	8.1037	9.8670	7.2603	8.0985	6.7227	5.2908	4.9927	
		Rs./Kwh	4.7839	4.6363	4.2385	5.0821	4.1897	5.1193	6.6249	4.9737	6.2134	6.0329	6.5120	5.5011	
		Rs./Kwh	(1.7094)	(1.8199)	(2.1941)	(2.2548)	(3.1143)	(2.9844)	(3.2421)	(2.2866)	(1.8851)	(0.6898)	1.2212	0.5084	
4=(3x2)	Gross Impact of Losses in FPA	Rs.Mln	(208)	(223)	(240)	(215)	(193)	(194)	(209)	(131)	(145)	(62)	138	62	(1,619)

