



حیدرآباد الیکٹریک سپلائی کمپنی
HYDERABAD ELECTRIC SUPPLY COMPANY

OFFICE OF THE CHIEF EXECUTIVE OFFICER

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WAPDA OFFICES COMPLEX
HUSSAINABAD HYDERABAD
URL: www.hesco.gov.pk

No: CEO/FD/HESCO/CPC/2786

Dated 29-08-2018

The Registrar,
National Electric Power Regulatory Authority,
NEPRA Tower, Attaturk Avenue (East),
Sector G-5/1,
Islamabad.

For my father & wife
— SATI - I
— ADG (TV)
Gp. D.
— SAC (P&H)
— DG (M&E)
— LA (L&P) - MF
310818
cc: chairman
MGT, M(USE)
M(Chc)

Subject: APPLICATION FOR QUARTERLY ADJUSTMENT FOR 1st, 2nd, 3rd and 4th QUARTERS OF FY 2017-18 (Distribution License No. 05/DL/2002 dated 1st Apr. 02) Case No. NEPRA/TRF-340/HESCO-2016/4215-4217

Dear Sir,

In furtherance of current notified tariff vide S.R.O No374 (I)/2018 dated 22-03-2018 consequent upon the determination of the Authority in respect of HESCO dated September 18, 2017, HESCO is submitting this application for the Quarterly Adjustments for FY 2017-18 pertaining to:

- (i) the capacity and transmission charges being passed on to HESCO per the notified Transfer Pricing Mechanism;
- (ii) the impact of T&D losses on the component of PPP per the notified tariff;
- (iii) Adjustment of Variable O&M as per actual being passed on to HESCO per the notified Transfer Pricing Mechanism; and
- (iv) Impact of extra or lesser purchase of units.

It is pertinent to mention here that the Monthly Adjustments being notified by the Authority are also being determined on the basis of current notified tariff. Since PPP is a pass through for all the DISCOs, it is requested that per the same process the Quarterly Adjustments for FY 2017-18 may also be adopted. This would also be in line with the applicably methodology determined

AVG (Tariff)
955
Dy. No. 03-09-18
Date

REGISTRAR
Dy. No. 31-08-18
Dated

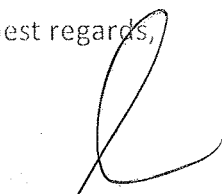
Signature

by the Authority and notified by Federal Government that both Quarterly and Monthly Adjustment may timely be passed on.

We shall be grateful if the Authority shall give due consideration to our application to allow the Quarterly Adjustments for the FY 2017-18^{as} per the current notified tariff vide S.R.O No 374 (I)/2018 dated 22-03-2018 consequent upon the determination of the Authority in respect of HESCO dated September 18, 2017~~8~~. The application is supported with all requisite data and supporting material. In case any further clarification is required, please intimate.

In case any further clarification is required, please intimate.

With best regards,


Chief Executive Officer
HESCO. 29/08/2018

BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)

HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED



APPLICATION FOR QUARTERLY ADJUSTMENTS PER NOTIFIED TARIFF VIDE

SRO NO. 374 (I)/2018 DATED 22-03-2018 AS A CONSEQUENCE OF NEPRA

DETERMINATION DATED 18-09-2017

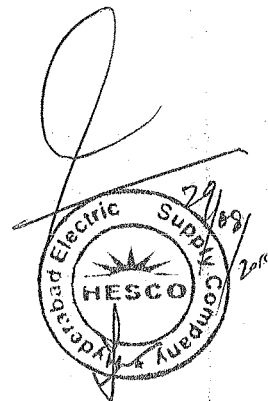
August 29, 2018

HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED

ADDRESS : HESCO HEADQUARTERS, HUSSAINABAD, HYDERABAD

PHONE # : +92-22-9260161

FAX # : +92-22-9260361



1. Petitioner

1.1 Hyderabad Electricity Supply Company Limited (HESCO) is an ex-WAPDA Distribution Company (DISCO) owned by the Government of Pakistan (GOP) and incorporated as a Public Limited Company on 23rd April, 1998 vide company registration No. L09436 of 1997-98 under section 32 of the Companies Ordinance 1984.

1.2 Principal business of HESCO is to provide electricity to the ten districts of Sindh including Hyderabad, Matiari, Shaheed Benazirabad, Sanghar, Mirpurkhas, Tharparkar, Tando Allah Yar, T. M. Khan, Badin and Thatta under distribution license No. No. 05/DL/2002 granted by NEPRA (the Distribution License).

2. Applicable Tariff

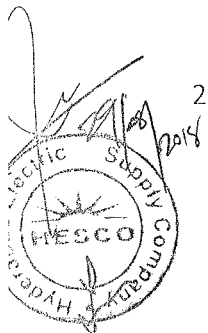
2.1 HESCO being a distribution licensee of NEPRA, had filed a Tariff Petition for the Determination of its Consumer End Tariff for FY 2017-18 under single year tariff regime (Case # NEPRA/TRF-340/HESCO-2016/4215-4217) on 03rd November 2017. A Public Hearing in the matter has been held on 05.01.2018.

2.2 In view of above, the applicable tariff is based on the determination in respect of HESCO for the FY 2015-16 issued on September, 2017 notified vide S.R.O No 374 (I)/2018 dated 22-03-2018 and still effective to recover the cost from end consumers of HESCO. Similarly the monthly adjustments being notified by the Authority are based thereon.

2.3 It is pertinent to point out that the above determination of the Authority notified vide SRO No. 374 (I)/2018 dated 22-03-2018 specifically provides for the Quarterly Adjustments to be decided by the Authority on the basis of following limited scope:

- 2.3.1 The adjustments pertaining to the capacity and transmission charges;
- 2.3.2 The impact of T&D losses on the components of PPP;
- 2.3.3 Adjustment of Variable O&M as per actuals; and
- 2.3.4 Impact of Extra or Lesser Purchase of Units.

2.4 In furtherance of current notified tariff vide S.R.O No 374 (I)/2018 dated 22-03-2018 consequent upon the determination of the Authority in respect of HESCO dated September 18, 2017, HESCO is submitting this application for the Quarterly Adjustments for FY 2017-18 in aggregate amounting to Rs. 15,453 million, which may be passed on by way of Rs. 4.4125 per unit for the remaining period of the current financial year. This Quarterly adjustments



of PPP for the period of FY 2017-18 (July 2017 to June 2018), being a Pass Through for HESCO, is quantified based on: (i) the capacity and transmission charges being passed on to HESCO per the notified Transfer Pricing Mechanism; (ii) the impact of T&D losses on the component of PPP per the notified tariff; (iii) Adjustment of Variable O&M as per actual being passed on to HESCO per the notified Transfer Pricing Mechanism; and (iv) Impact of extra or lesser purchase of units. The requisite details alongwith supporting data and material is attached herewith as Annexure – A-1 and A-2.

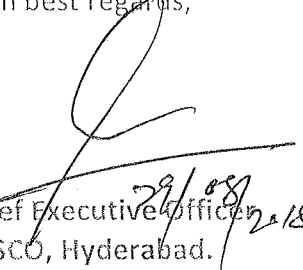
2.5 In view of the Monthly Adjustments being notified by the Authority are also being determined on the basis of current notified tariff. Since PPP is a pass through for all the DISCOs, it is requested that the same process of Quarterly Adjustments for FY 2017-18 may also be adopted. This would also be in line with the applicably methodology determined by the Authority and notified by Federal Government that both Quarterly and Monthly Adjustment may timely be passed on.

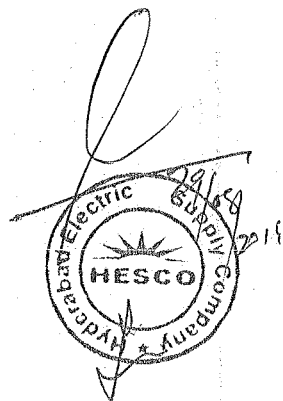
3. Prayer/ Request

We shall be grateful if the Authority shall give due consideration to our application to allow the Quarterly Adjustments for the FY 2017-18 per the current notified tariff vide S.R.O No 374 (I)/2018 dated 22-03-2018 consequent upon the determination of the Authority in respect of HESCO dated September 18, 2017 in aggregate amounting to Rs. 15,453 million, which may be passed on by way of Rs. 4.4125 per unit for the remaining period of the current financial year.

Any other appropriate order deems fit by this honourable Authority may also be passed.

With best regards,


Chief Executive Officer
HESCO, Hyderabad.

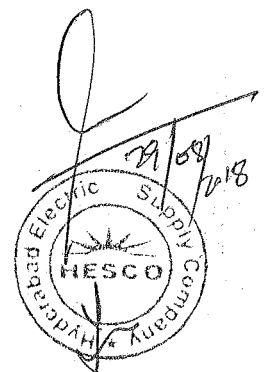


HESCO Claim for Quarterly Adjustment FY 2017-18
(Variable O&M ,UOSC & CPP & Losses and Excess Units Purchased)

(Rs.in Million)

Month	Actual Units Purchased	Montly Imapact of VOM, UOSC & CPP	Monthly Losses Impact	Impact of Extra/(Less) Units Purchased	Quarterly Adjustment
Jul-17	569	830	(261)	731	
Aug-17	564	755	(277)	875	
Sep-17	575	1,189	(343)	945	
Oct-17	523	217	(301)	591	
Nov-17	363	808	(87)	(504)	
Dec-17	312	348	(156)	(539)	
Jan-18	308	433	(88)	(86)	
Feb-18	286	870	(14)	(359)	
Mar-18	406	1,297	(191)	656	
Apr-18	505	1,272	(86)	674	
May-18	657	2,299	(128)	1,119	
Jun-18	674	1,814	(128)	1,276	
Total		12,133	(2,060)	5,380	15,453

Units to be sold for remaining period of current Financial Year 2018-19 - GWh	3,502
Quarterly Adjustment - Jul-17 to June-18- Mln Rs.	15,453
Per Unit impact of Quarterly Adjustments- Rs./ kWh	4.4125



HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED

Annex-A-2

Description	1st Qtr			2nd Qtr			3rd Qtr			4th Qtr			Grand Total
	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	
Reference													
Variable O&M Rs. kWh	0.236	0.2492	0.2295	0.2574	0.2667	0.2861	0.3118	0.2901	0.3050	0.3577	0.3050	0.2891	
CPP Rs. kWh	2.2918	2.5546	2.1843	-2.7006	3.1067	3.3950	3.6040	3.2274	3.5863	2.7553	2.7663	2.9979	
UOSC Rs. kWh	0.2197	0.2504	0.2108	0.2538	0.2780	0.2919	0.3088	0.2720	0.2898	0.3557	0.3159	0.4024	
Unit Purchased (MVAh)	490	472	471	467	409	357	314	319	353	985	439	527	1,494
Actual													
Variable O&M Rs. kWh*	0.263	0.262	0.302	0.267	0.297	0.299	0.301	0.297	0.292	0.308	0.297	0.299	
CPP Rs. kWh	3.580	3.750	4.050	2.990	5.210	4.340	4.740	6.040	6.640	5.280	6.220	5.740	
UOSC Rs. kWh	0.370	0.380	0.340	0.370	0.370	0.390	0.590	0.490	0.440	0.400	0.370	0.410	
Unit Purchased (MVAh)	569	564	575	523	363	312	308	286	406	1,001	505	657	1,819
Variation													
Variable O&M Rs. kWh	0.019	0.013	0.072	0.010	0.030	0.003	(0.010)	0.007	(0.013)	(0.050)	(0.008)	0.010	
CPP Rs. kWh	1.288	1.195	1.866	0.289	2.103	1.015	1.136	2.813	3.054	2.525	3.454	2.742	
UOSC Rs. kWh	0.150	0.130	0.129	0.116	0.092	0.098	0.281	0.218	0.150	0.044	0.054	0.008	
Total Variation	1.458	1.338	2.067	0.415	2.225	1.116	1.407	3.038	3.191	2.519	3.500	2.760	
Unit Purchased (MVAh)	79	92	104	56	(46)	(45)	(6)	(33)	53	15	66	129	325
Impact													
Variable O&M Rs. In Million	11	7	42	60	5	11	(3)	2	(5)	(7)	(5)	7	(24)
CPP Rs. In Million	733	674	1,073	2,481	764	317	350	806	1,241	2,397	1,275	1,801	5,346
UOSC Rs. In Million	86	73	74	233	33	31	87	62	61	210	22	5	63
Total Impact (Rs. In million)	830	755	1,189	2,774	808	348	433	870	1,297	2,600	1,272	1,814	5,385
Impact of Excess Units Purchased													
Actual Units Purchased	490	472	471	467	409	357	314	319	353	986	439	527	1,494
Reference Units Purchased	569	564	575	523	363	312	308	286	406	1,001	505	657	1,836
Excess / (Less) Units Purchased	79	92	104	275	56	(46)	(6)	(33)	53	15	66	147	342
Reference Price Rs. / kWh	9.2484	9.5041	9.0572	10.5487	10.9554	12.0167	14.0916	11.0498	12.2797	10.1914	8.6781	8.6817	
Impact of Excess Units Purchased	731	875	945	2,851	(504)	(539)	(86)	(359)	656	211	674	1,276	3,069
Total													5,380

* Actual Variable O&M has not been bifurcated in invoice of CPPA. NEERMA notifications for monthly FPA has been referred for actual Variable O&M

