



QUETTA ELECTRIC SUPPLY COMPANY LIMITED

Phone # 081 – 9202211
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Office of the Chief Executive Officer
QESCO Zarghoon Road, Quetta.

No. 300 / CEO/ FD / QESCO / Comp

Dated: 29th August, 2018

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

Subject: **APPLICATION FOR 3rd QUARTERLY ADJUSTMENT FOR FY 2017-18**
(DISTRIBUTION LICENSE NO. 08/DL/2001 DATED 30TH APRIL 2002)

Dear Sir,

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 QESCO dated March 25, 2016, QESCO is submitting this application for the 3rd Quarterly Adjustments for FY 2017-18 pertaining to:

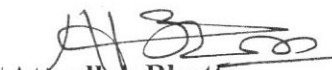
- (i) the capacity and transmission charges being passed on to QESCO per the notified Transfer Pricing Mechanism;
- (ii) the impact of T&D losses on the component of PPP per the notified tariff;
- (iii) Adjustment of Variable O&M as per actual being passed on to QESCO per the notified Transfer Pricing 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 the same process the 3rd 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.

We shall be grateful if the Authority shall give due consideration to our application to allow the 3rd 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 QESCO dated March 25, 2016. 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,


Attaullah Bhutta
Chief Executive Officer

QUETTA ELECTRIC SUPPLY COMPANY LIMITED



APPLICATION FOR 3RD QUARTERLY ADJUSTMENTS FOR NOTIFIED
TARIFF VIDE SRO NO. 374(I) 2018 DATED 22ND MARCH 2018 AS A
CONSEQUENCE OF NEPRA DETERMINATION DATED 25TH MARCH 2016

AUGUST 29, 2018

QUETTA ELECTRIC SUPPLY COMPANY LIMITED

ADDRESS : QESCO HEADQUARTERS, ZARGHOON ROAD, QUETTA

PHONE # : 92-81-9202211

FAX # : 92-81-9201335

1. Petitioner

- 1.1 Quetta Electricity Supply Company Limited (QESCO) is an ex-WAPDA Distribution Company (DISCO) owned by the Government of Pakistan (GOP) and incorporated as a Public Limited Company on 13th May, 1998 vide company registration No. L-09520 of 1997 – 98 under section 32 of the Companies Ordinance 1984.
- 1.2 Principal business of QESCO is to provide electricity to the province of Balochistan except District Lasbela under distribution license No. 08/DL/2001 granted by NEPRA (the Distribution License).

2. Applicable Tariff

- 2.1 QESCO being a distribution licensee of NEPRA had filed a Tariff Petition for the Determination of its Consumer End Tariff for FY 2015-16 (Case # NEPRA/TRF-339/QESCO-2015) on 22nd December, 2015. After conclusion of the proceedings, Determination upon the subject was given by the Authority vide NEPRA's letter No. NEPRA/TRF-386/QESCO-2017/3877-3879 dated 25th March, 2016. QESCO filed review on 31st March 2016, which was decided by the Authority on 1st July 2016. Thereafter, reconsideration decision dated 01-07-2016 and decision dated 04-07-2016 for PPP adjustments upto May FY 2015-16, was passed by the Authority. Consiquently Federal Government has notified said tariff.
- 2.2 In view of above, the applicable tariff and the monthly adjustments being notified by the Authority are based on the determination in respect of QESCO for the FY 2015-16 issued on SRO No. 374(I)/2018 dated 22-03-2018 and still effective to recover the cost from end user consumers of QESCO. Similarly the monthly adjustments being notified by the Authority are based thereon.
- 2.3 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 actual; and

2.3.4 Impact of Extra or lesser purchase of units.

2.4 In furtherance of current notified tariff vide SRO No. 374(I)/2018 dated 22-08-2018 consequent upon the determination of the Authority in respect of QESCO dated March 25, 2015, QESCO is submitting this application for the 3rd Quarterly Adjustments for FY 2017-18 in aggregate amounting to Rs. 3,251 Million, which may be passed on by way of Rs. 2.70 per unit for the remaining period of the current financial year. These quarterly adjustments of PPP for the first quarter of FY 2017-18 (July to September), being a Pass Through for QESCO, is quantified based on: (i) the capacity and transmission charges being passed on to QESCO 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 QESCO per the notified Transfer Pricing Mechanism; and (iv) Impact of extra or lesser purchase of units. The requisite details along with supporting data and material is attached herewith as Annexure – A.

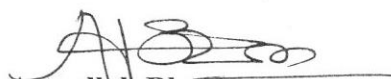
2.5 In view of the Monthly Adjustments being notified by the Authority are also being determined on the basis of current notified tariff. Since PPP is a pass through for all the DISCOs, it is requested that the same process the 3rd Quarterly Adjustments for FY 2017-18 may also be adopted. This would 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 3rd Quarterly Adjustments for the FY 2017-18 for the current notified tariff vide 374(I)/2018 dated 22-03-2018 consequent upon the determination of the Authority in respect of QESCO dated March 25, 2016 in aggregate amounting to Rs. 3,251 Million, which may be passed on by way of Rs. 2.70 per unit for the remaining period of the current financial year.

Any other appropriate order deems fit by the honorable Authority may also be passed.

With best regards,


Attaullah Bhutta
Chief Executive Officer

Impact of QESCO Quarterly Adjustment

(Mln. Rs.)

Particular	QESCO Quarter - 3
Capacity Charges	
Reference as per QESCO notified tariff	3,405
Actual as per CPPA-G Invoice	7,005
<i>Less / (Excess)</i>	3,599
Use of System Charges	
Reference as per QESCO notified tariff	285
Actual as per CPPA-G Invoice	581
<i>Less / (Excess)</i>	296
Variable O&M Component of Energy Price	
Reference as per QESCO notified tariff	442
Actual as per CPPA-G Invoice	433
<i>Less / (Excess)</i>	(9)
Impact of T&D Losses on Monthly FPA	(635)
<u>Quarterly Adjustment Recoverable / (Excess)</u>	3,251



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Dated: 29th August, 2018

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

Subject: APPLICATION FOR 4th QUARTERLY ADJUSTMENT FOR FY 2017-18

(DISTRIBUTION LICENSE NO. 08/DL/2001 DATED 30TH APRIL 2002)

Dear Sir,

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 QESCO dated March 25, 2016, QESCO is submitting this application for the 4th Quarterly Adjustments for FY 2017-18 pertaining to:


- (i) the capacity and transmission charges being passed on to QESCO 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 QESCO 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 the same process the 4th 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.

We shall be grateful if the Authority shall give due consideration to our application to allow the 4th 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 QESCO dated March 25, 2016. 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,


Attaullah Bhutta
Chief Executive Officer

QUETTA ELECTRIC SUPPLY COMPANY LIMITED



APPLICATION FOR 4TH QUARTERLY ADJUSTMENTS FOR NOTIFIED
TARIFF VIDE SRO NO. 374(I) 2018 DATED 22ND MARCH 2018 AS A
CONSEQUENCE OF NEPRA DETERMINATION DATED 25TH MARCH 2016

AUGUST 29, 2018

QUETTA ELECTRIC SUPPLY COMPANY LIMITED

ADDRESS : QESCO HEADQUARTERS, ZARGHOON ROAD, QUETTA

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1. Petitioner

- 1.1 Quetta Electricity Supply Company Limited (QESCO) is an ex-WAPDA Distribution Company (DISCO) owned by the Government of Pakistan (GOP) and incorporated as a Public Limited Company on 13th May, 1998 vide company registration No. L-09520 of 1997 – 98 under section 32 of the Companies Ordinance 1984.
- 1.2 Principal business of QESCO is to provide electricity to the province of Balochistan except District Lasbela under distribution license No. 08/DL/2001 granted by NEPRA (the Distribution License).

2. Applicable Tariff

- 2.1 QESCO being a distribution licensee of NEPRA had filed a Tariff Petition for the Determination of its Consumer End Tariff for FY 2015-16 (Case # NEPRA/TRF-339/QESCO-2015) on 22nd December, 2015. After conclusion of the proceedings, Determination upon the subject was given by the Authority vide NEPRA's letter No. NEPRA/TRF-386/QESCO-2017/3877-3879 dated 25th March, 2016. QESCO filed review on 31st March 2016, which was decided by the Authority on 1st July 2016. Thereafter, reconsideration decision dated 01-07-2016 and decision dated 04-07-2016 for PPP adjustments upto May FY 2015-16, was passed by the Authority. Consequently Federal Government has notified said tariff.
- 2.2 In view of above, the applicable tariff and the monthly adjustments being notified by the Authority are based on the determination in respect of QESCO for the FY 2015-16 issued on SRO No. 374(I)/2018 dated 22-03-2018 and still effective to recover the cost from end user consumers of QESCO. Similarly the monthly adjustments being notified by the Authority are based thereon.
- 2.3 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 actual; and
- 2.3.4 Impact of Extra or lesser purchase of units.
- 2.4 In furtherance of current notified tariff vide SRO No. 374(I)/2018 dated 22-08-2018 consequent upon the determination of the Authority in respect of QESCO dated March 25, 2015, QESCO is submitting this application for the 4th Quarterly Adjustments for FY 2017-18 in aggregate amounting to Rs. 3,653 Million, which may be passed on by way of Rs. 2.57 per unit for the remaining period of the current financial year. These quarterly adjustments of PPP for the first quarter of FY 2017-18 (July to September), being a Pass Through for QESCO, is quantified based on: (i) the capacity and transmission charges being passed on to QESCO 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 QESCO per the notified Transfer Pricing Mechanism; and (iv) Impact of extra or lesser purchase of units. The requisite details along with supporting data and material is attached herewith as Annexure – A.
- 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 the 4th 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 4th Quarterly Adjustments for the FY 2017-18 for the current notified tariff vide 374(I)/2018 dated 22-03-2018 consequent upon the determination of the Authority in respect of QESCO dated March 25, 2016 in aggregate amounting to Rs. 3,653 Million, which may be passed on by way of Rs. 2.57 per unit for the remaining period of the current financial year.

Any other appropriate order deems fit by the honorable Authority may also be passed.

With best regards,


Attaullah Bhutta
Chief Executive Officer

Impact of QESCO Quarterly Adjustment

(Mln. Rs.)

Particular	QESCO Quarter - 4
Capacity Charges	
Reference as per QESCO notified tariff	4,902
Actual as per CPPA-G Invoice	8,518
<i>Less / (Excess)</i>	3,616
Use of System Charges	
Reference as per QESCO notified tariff	613
Actual as per CPPA-G Invoice	571
<i>Less / (Excess)</i>	(42)
Variable O&M Component of Energy Price	
Reference as per QESCO notified tariff	544
Actual as per CPPA-G Invoice	504
<i>Less / (Excess)</i>	(39)
Impact of T&D Losses on Monthly FPA	118
Quarterly Adjustment Recoverable / (Excess)	3,653