



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad
Ph: +92-51-9206500, Fax: +92-51-2600026
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/R/TRF-362/K-Electric-2016/13261-66

March 9, 2021

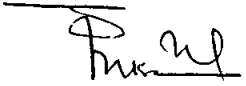
Chief Executive Officer
K-Electric Limited (KEL)
KE House, Punjab Chowrangi,
39 – B, Sunset Boulevard, Phase-II
Defence Housing Authority, Karachi.

Subject: **Decision of the Authority in the matter of Fuel Charges Adjustments for the Period from July 2019 to May 2020 for K-Electric Limited and Notification (S.R.O. 293 (I)/2021 dated 09.03.2021) Thereof**

Enclosed please find herewith a copy of decision of the Authority (11 pages) in the matter of fuel charges for the period from July 2019 to May 2020 in respect of K-Electric Limited, along with Notification (S.R.O. 293 (I)/2021 dated 09.03.2021) 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)


09 03 21.
(Syed Safer Hussain)

CC:

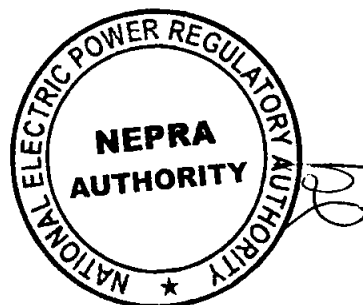
1. Secretary, Ministry of Energy, Power Division, 'A' Block, Pak Secretariat, Islamabad.
2. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
3. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
4. Secretary, Privatization Commission, 4th Floor, Kohsar Block, Constitution Avenue, New Secretariat, 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 2019 TO MAY 2020**

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.
4. Pursuant to notification of the determined MYT, K-Electric filed its monthly FCA request from July 2019 to December 2019.

Hearing

5. Since the impact of any 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.
6. The hearing was accordingly held on March 04, 2020, wherein the Authority in addition to the instant FCA requests filed by K-Electric also considered its letter dated 10.01.2020, whereby K-Electric raised certain concerns against the Authority's earlier decisions dated 27.12.2019 and 31.12.2019 in the matter of K-Electric's previous monthly / quarterly adjustments pertaining to the period from July 2016 to June 2019.
7. The decision in the matter could not be finalized, due to non-verification of K-Electric's adjustments requests at K-Electric office Karachi, owing to COVID-19 restrictions and the decision of the Cabinet to not change the prices of electricity. The decision of the Cabinet is reproduced asunder;



Beeth


"The Cabinet reaffirmed its earlier decision that the prices of electricity and gas will remain un-changed till June 2020"

8. K-Electric in the meantime also filed its FCA adjustment requests for the period from January to April 2020. The Authority decided to conduct a hearing for the additional FCA requests of K-Electric, on June 23, 2020. However, the Authority, adjourned the same, in view of the afore-referred decision of the Cabinet to not change prices of electricity till June 2020. Subsequently, the hearing was held on 23.07.2020 through ZOOM, wherein, the Authority also considered the FCA request of K-Electric for the month of May 2020.

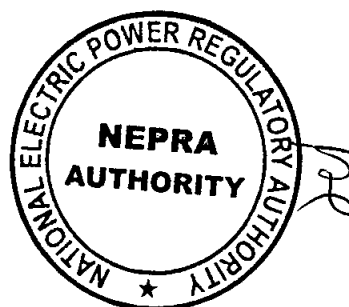
9. A Summary of the monthly FCA requests filed by K-Electric for the period from July 2019 to May 2020, is as under;

Monthly FCA		
Month	Mln Rs.	Rs./kWh
Jul-19	2,113	1.130
Aug-19	1,322	0.781
Sep-19	722	0.404
Oct-19	(344)	(0.198)
Nov-19	(2,412)	(1.901)
Dec-19	(2,403)	(2.354)
Jan-20	637	0.657
Feb-20	1,035	0.975
Mar-20	590	0.480
Apr-20	(878)	(0.621)
May-20	(1,862)	(1.015)
Total	(1,480)	

10. The advertisement for hearing was published in newspapers 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.

11. 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 Claw Back working provided by K-Electric is justified?
- iv. Whether the Petitioner has followed the procedure given in the MYT determination dated July 05, 2018 as well as direction given in the decision of the Authority dated December 27, 2019?



Handwritten signature
2

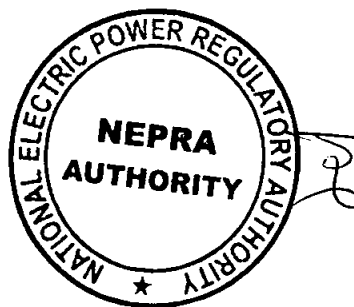
- v. Whether K-electric has followed the merit order while giving dispatch to its power plants as well as power purchases from external sources?
 - vi. Whether K-electric has optimally utilized the capacity of its power plants to meet with the demand of its system?
 - vii. Whether K-electric has renewed its agreement with NTDC for sale/purchase of 650 MW power, since the previous agreement has expired on January 25, 2015.
12. During the hearing and in written form, comments were received from the following commentators.
- i. Amreli Steel (copy attached)
 - ii. S.I.T.E Association of Industry
 - iii. Landhi Association of Trade & Industries
 - iv. Korangi Association of Trade & Industry
 - v. S.I.T.E. Superhighway Association of Industry Karachi
 - vi. Bin Qasim Association of Trade & Industry
 - vii. Federal B. Area Association of Trade & Industry

13. The commentators generally showed their apprehensions regarding conduct of hearing through video link, however, specific comments were also raised. A brief of the comments relevant with the instant adjustments is as under;

Amreli Steel

M/s Amreli Steel, inter alia, showed its apprehensions regarding the conduct of the hearing at Islamabad instead of Karachi. A brief of comments submitted by M/s Amreli Steel is as under;

- ✓ *The mechanism for adjustment in tariff due to variation in fuel price, KE is required to submit its monthly adjustment and quarterly adjustment within seven days following the current month and quarterly adjustment within fifteen days following the last month of each quarter.*
- ✓ *As per the mechanism for adjustment in tariff due to variation in power purchase price (PPP), KE shall within seven days and fifteen days submit the monthly and quarterly adjustment following the current month and quarterly adjustment following the last month of each quarter.*
- ✓ *From the above it is clear that NEPRA should only entertain those fuel price adjustment and power price adjustment monthly and quarterly that fall within the prescribed timelines as mentioned in the SRO 576 (I)/2019.*
- ✓ *The principle of time frame for submission of application has been settled in the judgment passed by the Honorable Supreme Court of Pakistan as regards to submission of Fuel Price*



Amreli


Adjustment and Power Purchase Price Adjustment. The relevant portion of the judgment is reproduced for your ready reference.

"After considering the question raised by the learned counsel for the Appellants, the response given by the learned counsel for NEPRA and with consent of both parties, we direct as follows:

In future the time fixed in terms of provisions of second proviso to Section 31(4) of Act XL of 1997 for claiming tariff revision on the basis of fuel price fluctuation shall be four (4) months with reference to the bill/notified tariff of any particular month:

For filing refund claims by consumers, which are based upon downward fluctuation of fuel price, we find that a period of two (02) months is reasonable for the purpose of processing and granting such refunds relating to the bill of a particular month; and

The above timeframe would apply for future billing/refunds, etc. However, fuel price adjustment surcharged already imposed and recovered/claimed on the basis of fuel price fluctuation having been permitted by the NEPRA in the past shall be paid/cleared by the appellants/consumers within a period of one (01) months."

- ✓ *Amreli Steel further submitted that, in view of the above judgment the adjustment should have been determined within four/two months for any respective month. It is pertinent to note that the order being a consent order is binding on NEPRA also.*
- ✓ *NEPRA at the best can only allow and determine those fuel price adjustment and quarterly adjustment to the power distribution companies that have been filed to the Authority as per the time frame.*

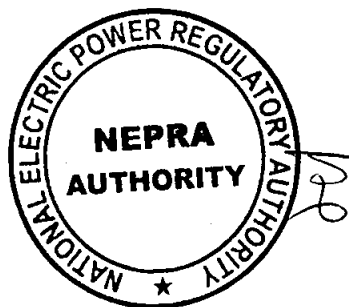
Mr. Arif Bilvani

Mr. Bilvani, inter alia, showed concerns regarding incurring of capacity charges for FPCL, SNPC, Our sun, Gul Ahmed, Tapal etc. as their capacity is not being fully utilized, and capacity charges are being paid, expensive generation from costlier fuel on HSFO based power plants has been generated. Further, the commentator also showed concern regarding price of HSFO for the month of April 2020.

Karachi Chamber of Commerce & Industry (KCCI)

KCCI, inter alia, while highlighting the issues under the previous MYT i.e. increase in tariff by 0.15/kWh, retrenchment of around 4,500 employees, non-addition of 1000 MW generation capacity, submitted the following points related with the instant adjustment requests;

- ✓ *KE profits for the FY 2019 increased to 17.3 billion as compared to Rs.12.3 billion in FY 2018, but it is surprising that KE has worked out nil amount of profit to be clawed back. NEPRA to calculate the exact amount owed by KE and refuse any approval till it is paid to the end users.*
- ✓ *NEPRA grants KE its dues in all respects, whereas KE has refused to pay billions to SSGC and also owes massive amounts to National Grid for the 650 MW energy. All these dues are public money and need to be in the system rather than out of it.*



Arif

- ✓ The issue of Rs.0.15/kWh allowed in the previous MYT is legal, and needs to be settled.
- ✓ Immediate subsidy Audit of KE be carried out.
- ✓ Detailed Technical energy and efficiency audits of KE generation facilities be conducted.
- ✓ Delay in processing of monthly FCAs, thus, contributing to the Circular Debt by delaying the dues to the Power Company.
- ✓ Provided analysis of monthly FCA data regarding costs and generation in terms of self-generation vis a vis power purchases etc.
- ✓ High heat rates of plant in operation

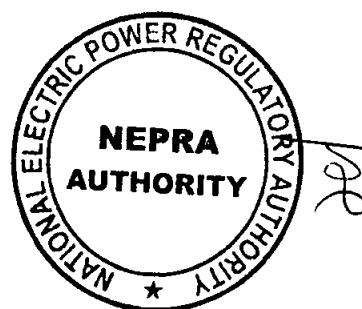
14. K-Electric, in its adjustment requests, has certified that it despatches as per Economic Merit Order from its own generation units (with the available fuel resources) and import from external sources. It also certified that the cost of fuel and power purchase claims do not include any amount of late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

15. 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 final decision on heat rates of BQPS-II on 01.01.2020 and accordingly the calculations are based on Heat rates determined therein.

16. K-Electric further, submitted that Heat rate tests of other plants have been conducted and Independent Engineer's reports have been submitted to NEPRA. The working for required adjustment will be submitted to NEPRA after determination of final Heat rates for these plants based on the test results.

17. K-Electric provided the plant wise generation statistics sheet, signed by K-Electric employees. The plant wise statistic sheets provide 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, EMO as per the Grid Code & plant utilization factors, detail of penalties imposed on external power sources, consumer wise details of write-offs etc.

18. The Authority based on the information, data and record provided by K-Electric, has analyzed the FCA claims of K-Electric and issue wise discussion is as under; The issues regarding quarterly variations and Profit Claw Back being related with quarterly tariff adjustments, and agreement with NTDC for sale/ purchase of 650 MW power, have been deliberated in the quarterly tariff decisions of K-Electric for the period from April 2019 till March 2020.



Arif

Issue # Whether the requested Fuel price variations are justified?

K-Electric Own Generation

19. 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.

20. K-Electric, as required under the MYT, conducted the heat rate test of BQPS-II Power Plant. The Authority, pursuant thereto, vide decision dated 09.05.2019 allowed heat rate of 7,990.96 BTU/kWh (net HHV) for the period May 2012 to May 2018 and 8,358.45 BTU/kWh (net HHV) for the period from June 2018 to June 2023.

21. Accordingly, K-Electric was allowed monthly / quarterly adjustment for the period from July 2016 till June 2019 based on the above mentioned decision of the Authority. However, K-Electric filed Review against the decision, which was decided by the Authority vide decision dated 01.01.2020. The Authority decided as under;

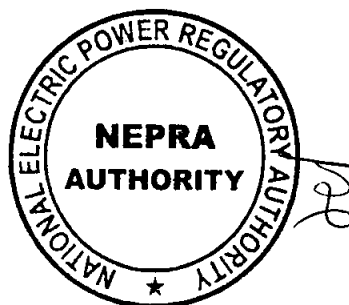
i. For the period from May 2012 to June 2016, the heat rate i.e. 7,990.96 Btu/kWh - net HHV, corresponding to 42.70% efficiency is approved and no further adjustment for degradation and partial loading is allowed;

ii. For the period from July 2016 to May 2018, the heat rate i.e. 8,334.89 Btu/kWh - net HHV, corresponding to 40.94% efficiency is approved and no further adjustment for degradation and partial loading is allowed;

iii. For the period from June 2018 to June 2023, the heat rate of 8,380.74 Btu/kWh - net HHV, corresponding to 40.71% efficiency is approved. This heat rate will be applicable for the control period on flat basis, without any additional adjustment for other parameters. The Authority may order fresh heat rate test, after the expiry of the control period of present MYT determination and after the Major Overhauling (MOH) of BQPS-II. Such test shall be conducted by an Independent Engineer in presence of NEPRA professionals as per procedure mentioned in MYT and other instructions issued by the Authority."

22. In view thereof, the heat rate of BQPS-II i.e. 8,380.74 BTU/kWh, allowed by the Authority, vide decision dated 01.01.2020 has been used for working out the monthly/ quarterly adjustments of K-Electric from July 2019 onward.

23. K-Electric has also claimed previous adjustments on account of revision in heat rates of BQPS-II for the period from May 2012 to June 2019. K-Electric in this regard has claimed a positive adjustment of Rs.1,202.97 million for the period from July 2016 to June 2019 (current MYT period), and negative adjustment of Rs.1,347.51 million for the period from May 2012 to June 2016 (previous MYT Period) in its quarterly adjustment requests for the period from March 2019 till April 2020.



Acted
Jr

24. The adjustment claimed by K-Electric for the period under the current MYT i.e. from July 2016 onward has been verified as Rs.1,202.97 million, and the same has been accounted for while working out the quarterly adjustment requests of K-Electric. Regarding negative adjustment of Rs.1,347.51 million, claimed by K-Electric for the period pertaining to previous MYT i.e. May 2012 to June 2016, the same has been considered as claimed by K-Electric. However, considering the fact that there was a different adjustment mechanism under the previous MYT, the amount of Rs.1,347.51 million is being accounted for on provisional basis, subject to verification and in case any additional adjustment is required, the same would be adjusted in the subsequent adjustment request of K-Electric.

25. K-Electric, as required under the MYT, also carried out heat rate test of KCCPP. Pursuant thereto, the Authority, in its decision dated 02.09.2020 decided as under;

"i. For the period from July 2016 to May 2019, the heat rate i.e. 8,250.06 Btu/kWh - net HHV, corresponding to 41.36% efficiency is approved with no further adjustment for degradation and partial loading allowed.

ii. For the period from June 2019 to June 2023, the heat rate i.e. 8,377.032 Btu/kWh - net HHV, corresponding to 40.732% efficiency is approved. This heat rate will be applicable for the control period on flat basis, without any additional adjustment for other parameters.

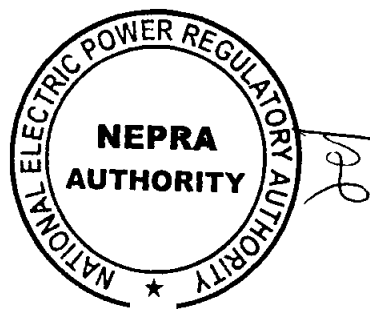
iii. KE is required to conduct maintenance including Major Overhaul of its plants / units as per prudent utility practices and recommendations of OEM.

iv. In case of non-requirement of Gas compressors - the relevant capacity and Heat rates would be adjusted. For such a scenario, relevant capacity and heat rates calculated during the present tests would be used."

26. K-Electric, has filed a motion for leave for review against the Authority's decision dated 02.09.2020, which has not yet been decided by the Authority, therefore, K-Electric used the heat rate of 8,497 BTU/kWh as per the MYT determination, while working out its instant adjustments. The Authority, however, has considered the heat rates, for working out the instant monthly/ quarterly adjustments of K-Electric, as approved vide decision dated 02.09.2020. This has resulted in reduction in fuel cost claimed by K-Electric for KCCPP by Rs.125.99 million, which has accordingly been adjusted while processing of the instant monthly FCAs of K-Electric.

27. For the FCAs pertaining to the period i.e. from July 2016 to June 2019, already allowed to K-Electric based on heat rate of 8,497 BTU/ kWh, have been revised, as per the new approved heat rate of 8,250.06 BTU/kWh for the period from July 2016 till May 2019 and heat rate of 8,377.032 BTU/kWh for the month of June 2019. This has resulted in negative adjustment of Rs.497.236 million, which has been accounted for while working out the quarterly adjustments of K-Electric.

28. The Authority observed that since K-Electric has filed an MLR against the decision of the Authority dated 02.09.2020, therefore, any revision in the allowed heat rate of KCCPP, pursuant to



7
Mati
J

the decision of review motion, would be adjusted subsequently in the future tariff adjustment requests of K-Electric.

29. 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.

30. 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 during the period under consideration, therefore, no amount on account of GIDC has been included while working out the instant adjustments of K-Electric.

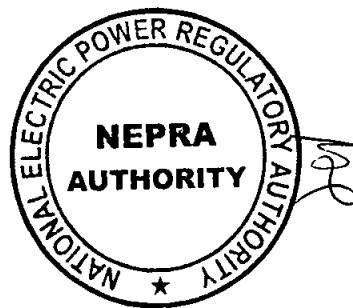
Power Purchase Price- Fuel Cost

31. 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;

32. 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 output 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 the energy as well as cost of KANUPP on net output basis.

33. The Authority observed that K-Electric while calculating the fuel cost of Rs.1,813.32 million of Gul Ahmed Energy Ltd. (GAEL) for the period from November 2019 to May 2020, used reference CV of 38,826.1 BTUs/Kg. The Authority, however, noted that as per the decision dated 03.06.2020, in the matter of review motion filed by GAEL, it has been allowed reference LHV Calorific Value of 38,584.49 BTUs/Kg and revised LHV calorific value as per actual, subject to minimum of 17,333 BTUs/lb (38,212.74 BTUs/Kg). Based on the allowed CV as per the decision dated 03.06.2020, the total fuel cost of GAEL for the period from November 2019 to May 2020, works out as Rs.1,802.35 million instead of Rs.1,813.32 million, claimed by K-Electric. Accordingly, difference of Rs.10.98 million has been adjusted from the total cost of GAEL limited.

34. 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



Maha⁷ 8
[Handwritten signature]

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.

35. 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, maximum of 1.5% transmission losses to STDC was allowed only from January to June 2018.

36. Subsequently, the Authority vide decision dated 09.01.2020, allowed a Transmission loss level with a cap of 2% to STDC, from the date of the decision i.e. 09.01.2020 onward. Accordingly, for the period from 09.01.2020 onward, STDC losses with a cap of 2% have been considered while working out the instant tariff adjustments of K-Electric. For the period from July 2018 till 08.01.2020, STDC losses @ 1%, as per the original determination of the Authority dated February 10, 2017 have been considered.

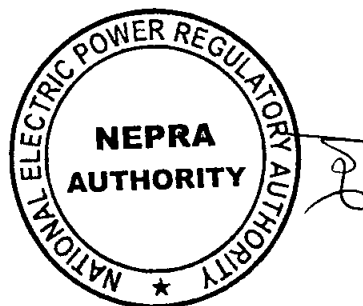
37. K-Electric, however, in its instant adjustment requests, for the period from July to December 2019, worked out cost of losses of STDC @ 1.5% level of loss. The same has been adjusted as per the level of loss allowed by the Authority i.e. 1.5%, thus resulting in reduction in total cost claimed by K-Electric by Rs.14.4 million.

38. Here it is pertinent to mention that while working out the FCA of K-Electric, the impact of positive monthly FCAs 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 has been accounted for in the quarterly adjustments.

Issue # Whether K-electric has followed the merit order while giving dispatch to its power plants as well as power purchases from external sources?

Issue # Whether K-electric has optimally utilized the capacity of its power plants to meet with the demand of its system?

39. Regarding technical issues, *inter alia*, following of Economic Merit Order & System Operating Procedures, underutilization, Generation capacity kept on standby mode by KE and heat rates & auxiliaries etc., the Authority has decided that these issues would be dealt separately.



Handwritten signature

**Decision of the Authority in the matter of Monthly Fuel Charges Adjustments
of K-Electric Limited for the Period from July-19 to May-20**

40. 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 2019 to May 2020;

Description		Unit	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
Fuel Cost	Own Generation	Rs. Mln	15,418	13,454	13,276	12,668	7,406	4,830	4,790	5,981	6,936	6,953	9,376
	External Purchases	Rs. Mln	5,643	4,850	5,225	5,495	3,059	3,962	4,499	3,707	3,669	4,117	3,933
	Total	Rs. Mln	21,062	18,304	18,501	18,163	10,466	8,792	9,290	9,688	10,606	11,070	13,309
Total Units	Own Generation	GWh	1,129	1,003	1,047	997	661	442	374	463	638	725	1,061
	External Purchases	GWh	733	683	732	732	603	575	595	595	589	685	766
	Total	GWh	1,863	1,686	1,778	1,729	1,265	1,017	969	1,058	1,228	1,410	1,827
Fuel Cost Component (FCC)	Own Generation	Rs./kWh	8.2772	7.9782	7.4650	7.3271	5.8569	4.7484	4.9433	5.6509	5.6507	4.9319	5.1327
	External Purchases	Rs./kWh	3.0296	2.8760	2.9377	3.1781	2.4194	3.8952	4.6430	3.5020	2.9892	2.9207	2.1533
	Total	Rs./kWh	11.3069	10.8542	10.4028	10.5052	8.2763	8.6436	9.5863	9.1529	8.6399	7.8526	7.2860
Reference FCC	Own Generation	Rs./kWh	6.9191	6.9191	6.9191	7.4650	7.4650	7.4650	4.7484	4.7484	4.7484	5.6507	5.6507
	External Purchases	Rs./kWh	3.1767	3.1767	3.1767	2.9377	2.9377	2.9377	3.8952	3.8952	3.8952	2.9892	2.9892
	Total	Rs./kWh	10.0958	10.0958	10.0958	10.4028	10.4028	10.4028	8.6436	8.6436	8.6436	8.6399	8.6399
Fuel Charges Adjustment (FCA)	Own Generation	Rs./kWh	1.3581	1.0591	0.5460	(0.1380)	(1.6082)	(2.7166)	0.1949	0.9025	0.9023	(0.7188)	(0.5189)
	External Purchases	Rs./kWh	(0.1471)	(0.3007)	(0.2390)	0.2404	(0.5183)	0.9575	0.7477	(0.3932)	(0.9061)	(0.0685)	(0.8358)
	Total	Rs./kWh	1.2110	0.7584	0.3070	0.1024	(2.1265)	(1.7591)	0.9426	0.5093	(0.0038)	(0.7873)	(1.3548)
Variation in Fuel Cost	Own Generation	Rs. Mln	2,530	1,786	971	(239)	(2,034)	(2,763)	189	955	1,108	(1,013)	(946)
	External Purchases	Rs. Mln	(274)	(507)	(425)	416	(655)	974	725	(416)	(1,112)	(97)	(1,527)
	Total	Rs. Mln	2,256	1,279	546	177	(2,689)	(1,789)	913	539	(5)	(1,110)	(2,473)

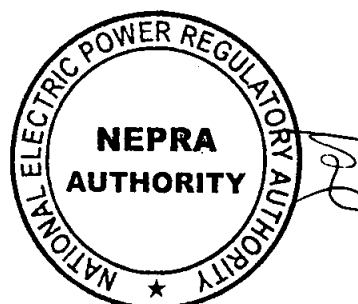
41. The Authority is also cognizant of the fact that the period for which FCAs are being allowed i.e. July 2019 to May 2020, has already lapsed and variations on account of fuel cost have not yet been recovered/ passed on to the consumers. The Authority believes that any such variations need to be passed 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.

42. In view thereof, the Authority has decided to allow the recovery of the aforementioned FCAs from the consumers in a period of three months starting from March 2021 as per the schedule given below;

To be Recovered in	FCAs Pertaining to
March 2021	July 2019 and May 2020
April 2021	August 2019, September 2019, November 2019, February 2020 and April 2020
May 2021	October 2019, December 2019, January 2020 and March 2020

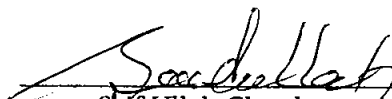
43. In view of the aforementioned, the Authority hereby directs K-Electric that in case of positive monthly FCAs, the same;

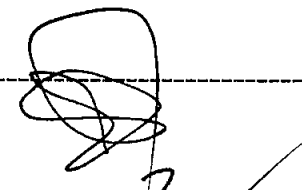
Auth




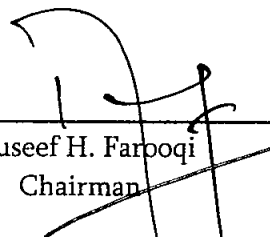
- a. Shall be applicable to all the consumer categories except lifeline consumers.
 - b. Shall be shown separately in the consumers' bills on the basis of units billed to the consumers in the respective month to which the adjustment pertains.
 - c. K-Electric shall reflect the fuel charges adjustment 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.
44. 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
Vice Chairman 5-3-2021



Rehmatullah Baloch
Member


Rafique Ahmed Shaikh
Member


Tauseef H. Farooqi
Chairman


I have already given my dissent on STDC losses application ^{in the decision} dated vide November 4, 2020.




8/3/21
090321

To Be Published in
Official Gazette of Pakistan Part-II

National Electric Power Regulatory Authority



NOTIFICATION


Islamabad, the 9th day of March 2021

S.R.O. 293 (I)/2021.- 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 2019 to May 2020 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 2019	1.2110	March 2021
August 2019	0.7584	April 2021
September 2019	0.3070	April 2021
October 2019	0.1024	May 2021
November 2019	(2.1265)	April 2021
December 2019	(1.7591)	May 2021
January 2020	0.9426	May 2021
February 2020	0.5093	April 2021
March 2020	(0.0038)	May 2021
April 2020	(0.7873)	April 2021
May 2020	(1.3538)	March 2021

2. In case of positive monthly FCAs, the same:
- Shall be applicable to all the consumer categories without life line consumers.
 - 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 changes 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.


09/03/21
(Syed Safeer Hussain)
Registrar
