

Nepra set to raise power tariff by Rs1.5 per unit today

ISLAMABAD: In another blow to the masses, National Electric Power Regulatory Authority (Nepra) is all set to announce an increase in power tariff by Rs1.5 per unit with huge impact of over Rs190 billion today (Thursday).

This is much-awaited determination of Nepra that is to be uploaded on the official website of the regulator and will also be sent to the Power Division. It is the government prerogative that the government passes the burden of Rs190 billion to which categories of consumers of electricity. However, Nepra has asked the government to pass the burden of more than Rs190 billion to the end consumers in (15 months) as the govt had required to pass this burden to consumers in 24 months, a senior official in Power Division told The News. “Yes, we have been told that Nepra is going to come up with much-awaited determination with increase of Rs1.5 per unit under quarterly adjustment mechanism,” the official confirmed.

However, the Nepra officials are tight lipped, but Power Division sources insist that regulator is going to announce today (Thursday) tariff determination and the same day Power Division will get the verdict of the regulator to this effect. Ideally after 6 months, the amount of over Rs190 billion should be passed on to the consumers, but Nepra has decided to pass it to consumers in staggered manner in 15 months.

The life line consumers will not be affected with the increase in tariff by Rs1.5 per unit. The consumers who use less than 300 units will be given the subsidy and those who use over 300 units a month will be exposed to the burden of over Rs190b.

The government is under IMF commitment that it will increase the power tariff of Rs1.5 from July 1 and now the power division will receive the Nepra determination today (Thursday) and will start working on which types of consumers’ categories will be subsidised and which are not.

The government had asked for increase in power tariff by Rs2 per unit in its petition submitted with Nepra. The government wanted the regulator to pass on to consumers the burden of Rs202 billion that include the capacity charges, line losses and variable O&M cost from June 2018 to December 2018 under quarterly adjustment mechanism.

He said that the subsidy of Rs250 billion for Pepco and K-Electric has been budgeted and out of which Rs59 billion has been allocated for K-Electric. Of the said subsidy of Rs250 billion, for electricity consumers using less than 300 units will be given the subsidy of Rs162 billion which are 70 percent of the domestic sector.

And Rs25 billion for subsidy has been kept for the life line consumers of K-Electric consumers and its those consumers who consume less than 300 units. The cost of electricity generation stands at Rs15.53 per unit whereas the average tariff hovers at Rs13.75 per unit. The IMF wants the government to recover the electricity generation cost from the consumers.

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