

Lifeline consumers spared: Rs 1.50 per unit raise allowed in power tariff

National Electric Power Regulatory Authority (Nepra) on Friday allowed an increase of Rs 1.50 per unit in electricity tariff across the board except lifeline consumers from July 1, 2019, under quarterly revenue adjustment formula.

Nepra took this decision, which according to it falls short of legal requirements of section 31 (4) of the Act.

With this increase, power Distribution Companies (Discos) will recover Rs 189.638 billion in fifteen months from each category of consumers based on projected sales for the FY 2017-18, after excluding life line consumers. The Discos had sought revenue adjustment of Rs 201.84 billion, of which Iesco demanded Rs 25.526 billion, Lesco Rs 34.058 billion, Gepco, Rs 15.866, Fesco, Rs 39.5 billion, Mepco, Rs 35.697 billion, Pesco, 31.068 billion, Hesco, Rs 5.587 billion, Qesco, Rs 8.440 billion, Sepco, Rs 5.113 billion and Tesco Rs 985 million.

The government has reached an understanding with the IMF that it would increase tariff by Rs 3 per unit, in two phases ie. Rs 150 per unit from July 1, 2019 and Rs 150 per unit from September 1, 2019.

According to the determination, the Authority determined tariffs for seven Discos for the FY 2016-17 & FY 2017-18 individually under the Single Year Tariff Regime (SYT), along with quarterly adjustments of Power Purchase Price (PPP) for the first two quarters of FY 2017-18. Subsequently, the Authority through its decisions in the matter of periodic adjustments allowed the impact of variation in PPP and over/under recovery of allowed Distribution Margin (D.M) for the remaining two quarters of the FY 2017-18 as Prior Year Adjustments (PYA).

Similarly, for Discos under the MYT regime, ie. Fesco, Lesco and Iesco, the Authority through its decisions regarding adjustment in tariff components for the FY 2016-17 and FY 2017-18 allowed PPP variations for the FY 2017-18, and under/over recovery of the allowed Distribution Margin for the FY 2016-17 and FY 2017-18, as PYA which were intimated to the Federal Government for notification in the official gazette.

The federal government, against the determinations/decisions, filed a motion under Section 7, 31(4) and 31(7) of the NEPRA Act 1997 for recommendation of uniform consumer end tariff at national level, which was decided by the Authority on December 19, 2019.

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