

10-paisa/unit increase in power tariff approved by Nepra

National Electric Power Regulatory Authority (Nepra) on Wednesday approved an increase of 10 paisa per unit in tariff for consumers of Distribution Companies for May 2019 under monthly fuel price adjustment.

The decision was taken at a public hearing in Nepra jointly presided over by Member Punjab Saif Ullah Chatha and Member Sindh, Rafique Ahmed Shaikh. The financial impact of 10 paisa per unit has been calculated at Rs 1.20 billion. Central Power Purchasing Agency Guaranteed (CPPA-G) has sought an increase of 21 paisa per unit which is meant to pass on the impact of Rs 2.60 billion to consumers.

The CPPA-G in its petition stated that net electricity delivered to Discos was 12,219 Gwh at a cost of Rs 64.282 billion or Rs 5.2607 per unit against the reference price of Rs 5.0457 per unit. However, Nepra calculated actual fuel charge component at Rs 5.1456 per unit against reference fuel charge component of Rs 5.0457 per unit.

According to Nepra's technical team the impact of favourable generation mix has been calculated at Rs 358 million. CPPA-G proposed adjustments of Rs 810 million which were also approved by the Authority. The details of previous adjustments is as follows: (i) JPCL- Rs 0.41 million; (i) 1994 Policy IPPs, Rs 166.1 million; (iii) Atlas Power, Rs 0.22 million; (iv) Nishat Power, Rs 0.91 million; (v) Foundation Power, Rs 0.149 million; (vi) Nishat Chunian - Rs 7.64 million; (vii) Port Qasim, Rs 477.33 million; (viii) Humza Sugar Rs 0.140 million; and (ix) supplemental charges, Rs 392-42 million. CPPA-G, however, wrongly claimed Rs 116 million of which Rs 46.18 million related to Orient, Rs 45.86 million for Sapphire and Rs 23.46 million. The Authority rejected these claims.

As per the notified determination of July 27, 2017, NTDCL is allowed T&T losses of Rs 2.80 per cent only and 220 KV network. NTDCL, shows T&T losses of 273.22 million GWh i.e. 2.64 GWh i.e. 2.84 per cent during May 2019 which on a cumulative basis are within the Authority's allowed limit of 2.80 per cent and accordingly considered while working out FCA of May 2019.

The technical team informed the Authority about its previous directions in FCA, issued in April 2019, in which CPPA-G had been directed to provide complete details regarding tripping issues/ underutilization of Balloki Power Plant from July 2018 onward.

CPPA-G revealed that forced outages at Haveli Bahadar Shah were recorded at 589.90 hours (10.75 per cent), Balloki, 735.67 hours (20.29 per cent) and Bhikki, schedule, 312 hours, forced 262.14 hours (15.84 per cent). This shows scheduled outages were 312 hours whereas forced outages were 1,387.70 (15.63).

NTDC also submitted update on issues regarding supply of RLNG along with a way forward including copy of letters written to Ministry of Energy and SNGPL in May, 2019 for allocation of gas as per sector requirements. CPPA-G was tasked to provide complete details of Liquidated Damages (LDs) charged to IPPs from July 2018 onward for their non-availability / forced outages in order to analyze its impact vis-à-vis cost of energy generated from the power plants during such periods; details which CPPA-G did not provide.

Nepra also directed CPPA-G to conduct a study regarding impact of renewable energy in tariff basket as Member Sindh was of the view that consumers are being heavily overburdened by not using renewable. Nepra will issue Terms of Reference (ToRs) for the proposed study.