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Rs1.826 per unit extra to be charged from power consumers in Nov bills

ISLAMABAD: The National Electric Power Regulatory Authority (Nepra) on Tuesday allowed power distribution companies, except K-Electric to charge Rs1.826/ unit extra from power consumers on account of monthly fuel price adjustment for September 2019.

After this increase, Discos would collect Rs24 billion from the power consumers in their November electricity bills. This increase was allowed, as the consumers were charge less against what was the cost of power generation.

Interestingly, apart from this, Nepra refused to include Rs0.5463/ unit increase asking the Central Power Purchasing Agency (CPPA) to provide satisfactory data/ justification to the Authority in 15 days that why the expensive source of power generation [RFO] was used despite the low-cost source of generation was available.

It is worth mentioning that on October 30, the power regulator had deferred till Tuesday the decision on Rs2.97/ unit increase that the CPPA had sought, the reason being, according to regulator, the merit order [power generation from less expensive source first] was not followed that had burden the consumers of Rs7.2 billion. Especially, the regulator expressed its reservation on using furnace oil for power generation which was expensive, amid there was low cost idle capacity was available for power generation.

On Tuesday, Nepra held a public hearing to decide the monthly power adjustment for September 2019. The regulator has determined increase of 2.37/ unit increase, but allowed only passing on increase of Rs1.826/ unit of it, while deferred the remaining Rs0.5463/ unit till the CPPA provide the satisfactory data to the regulator and then it may be charged from the consumers.

Around 13.62 billion units of electricity were produced at the cost of Rs70 billion during September. Out of the total power generation, 37.09 per cent electricity was generated from hydel sources, 16.39 pc coal, 6 pc RFO, 5.50 pc nuclear sources, 1.10 pc wind sources, 0.45 pc solar, 11.85 pc gas and 21.06 pc imported liquefied natural gas (LNG).