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Peak and off-peak hours in winter, Govt may fix uniform power tariff

ISLAMABAD: The government is likely to fix uniform electricity tariff of Rs 11.97 per unit during peak and off peak hours in winter season aimed at consuming maximum generation, well informed sources told Business Recorder.

National Electric Power Regulatory Authority (Nepra) determined and recommended the annual/multiyear uniform final tariff for Discos on December 19, 2018 under section 31(7),” Regulation of Generation, Transmission and Distribution of Standards and Procedure) Rules, 1997 read with Rule 17 of the Nepra (Tariff Standards and Procedure) Rules, 1998. The final uniform tariff, so determined by the Authority, was duly notified by the Federal Government on January 01, 2019.

The notified tariff effective from January 01, 2019 was prescribed for quarterly adjustment as well as annual indexation/adjustment of distribution margin for Discos. Consequently, the Authority on June 14, 2019 prescribed for adjustments for quarters 1 & 2 of FY 2018-19, which were notified by federal government on June 28, 2019.

On the same basis, the quarterly adjustments for Q-3&4 of FY 2018-19 along with annual adjustment/ indexation of distribution margin was sought by Discos by way of immediate application so as to maintain uniform tariff for provisions of the Nepra Act, which was determined and recommended by the Authority on September 27, 2019 and notified by the federal government on September 30, 2019.

Accordingly, in view of the economic and social policy objectives of the federal government, it is imperative to introduce mechanisms to promote economic efficiency and minimize economic distortions by optimum use of generation capacity during the periods when demand is low and sufficient generation capacity is available. For this purpose, Power Division has proposed policy guidelines for uniform incentives reflective of economic efficiency in electric power industry (principals of economic efficiency) during winter season i.e. from November 2019 to February 2020 as is being proposed which will be incorporated in notified tariff once sail through the ECC.

The Power Division has proposed the following incentives for the power consumers range of Rs 3.24/kWh to Rs 12.25/kWh in winter months: (i) A-1, for sanctioned load 5 kW & above, time of use, rate of electricity for peak and off peak hours will be Rs 11.97 per unit (kWh); (ii) A-1 general supply tariff-residential for sanctioned load 5 kW& above time of use, Rs 11.97 per unit; (iii) B1-industrial supply tariffs, upto 25 kW (at 400/230 volts), Rs 11.97, (iv) B2(a) exceeding 25-500 kW (at 400 volts). Time of Use B1 up to 25 kW, peak and off peak 11.97 per unit, B 2(b) exceeding 25-500 kW (at 400 volts), peak and off peak hours, Rs 11.97 per unit, B 3- for all loads up to 5000 kW(at 11,33 kV) and (v) B4- for all loads (at 66, 132 kV & above, peak and off- peak hours. An official said that the proposal has been submitted to the Economic Coordination Committee (ECC) of the Cabinet for final approval which is expected to consider the matter on Wednesday (tomorrow).