

### **Nepra approves Rs1.8/unit raise for Discos' consumers**

ISLAMABAD: National Electric Power Regulatory Authority (Nepra) on Wednesday put additional financial burden of over Rs 13 billion on Discos' consumers by approving an increase of Rs 1.80 per unit in tariff for January 2019 under monthly fuel price adjustment mechanism.

The decision was taken by Nepra's authority at a public hearing. The officials of NTDC, Central Power Purchasing Agency Guaranteed (CPPA-G) represented their respective organizations. The increase in tariff will not be passed on to lifeline and agriculture consumers.

Central Power Purchasing Agency Guaranteed (CPPA-G) had sought increase in power tariff by Rs 1.94 per unit.

Nepra's technical team informed the Authority that CPPA-G generated around 1,722,06 GWh from furnace oil-fired power plants and 12.262 GWh from High Speed Diesel (HSD) based power plants costing Rs 24.201 billion (furnace oil Rs 23.974 billion i.e. FCC of Rs 13.922/ kWh and HSD 0.227 billion) totaling to Rs 18.51/kWh).

However, the coal-fired power plants i.e. Port Qasim and Sahiwal coal and RLNG based power plants i.e. Balloki, HBS, QATPL and Nandipur were not fully utilized.

Nepra's technical team argued that had the units generated on furnace oil generated from coal and RLNG based power plants, the total fuel cost for such units would have been around Rs 17.4 billion, thus resulting in reduction in total fuel cost by around Rs 6.7 billion i.e. Rs 0.91/kWh.

According to CPPA-G, in January, 2019 net delivered electricity to Discos was Rs 7,423 GWh at a cost of Rs 57 billion, cost of which has been calculated at Rs 7.6959 per unit against reference fuel charge of Rs 5.7576 per unit.

The main reason of increase in monthly tariff is low hydel generation and gas-fired electricity in January. The generation in January was 477.6 GWh which is just 6.15 per cent of total generation.

After many months, High Speed Diesel (HSD) has also been used to generate electricity. The per unit cost of electricity produced through HSD was Rs 18.5080 per unit whereas the cost of power generation with furnace oil was Rs 13.9218 per unit which was over 22 per cent of total generation in the month. The generation cost of coal-fired electricity was Rs 6.7924 per unit, followed by gas/ RLNG at Rs 5.0783 per unit. The price of nuclear power was Rs 0.9529 per unit whereas the price of electricity imported from Iran was Rs 11.5709 per unit. The electricity generated through baggasse was Rs 6.1871 per unit.

The officials of CPPA-G revealed that power sector was supplied less gas as compared to required quantity due to gas crisis. The Authority directed CPPA-G officials to submit reasons for not getting required gas in writing along with data and in case this information is not provided, approved increase will be withdrawn. Nepra's Member (Punjab) Saif Ullah Chatha asserted that non availability of RLNG or coal is not a concrete reason presented by CPPA-G.

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