DAWN

18th January, 2020

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Power firms seek Re1 hike in fuel adjustment for November

ISLAMABAD: The electricity tariff for consumers of 10 distribution companies of ex-Wapda is set to go up by about Re1 per unit on account of fuel cost adjustment for November.

The National Electric Power Regulatory Authority (Nepra) will take up for public hearing on Jan 29 a petition for increase in consumer tariff for ex-Wapda distribution companies (Discos) on account of fuel cost adjustment of electricity consumed in November.

The higher electricity rates, on approval by the regulator, would be recovered from consumers in the upcoming billing month.

The petition for tariff increase has been filed by Central Power Purchasing Agency (CPPA) on behalf of ex-Wapda distribution companies (Discos) to generate about Rs7bn in additional revenue to Discos. The CPPA claimed an additional cost of 98 paisa per unit under base tariff 2015-16.

The CPPA in its petition said it had charged consumers a reference fuel tariff of Rs2.449 per unit in November while the actual fuel cost turned out to be Rs3.47 per unit. Hence, it should be allowed to charge 98 paisa per unit additional cost from consumers next month.

Total energy generation from all sources in November 2019 was recorded at 7,434 GWh. The total cost of energy generated amounted to Rs24.86bn, having an average per unit fuel cost of Rs3.344 per unit. About 7,204 GWh were sold to the Discos for Rs25.01bn.

About 3.1pc units were reported as transmission losses.

Once cleared by the power regulator, the additional fuel cost would be charged to consumers in the coming billing month i.e. February 2020.

The hydropower generation contributed the highest share of 39pc to the overall power production in November. This was followed by about 27.3pc contribution from coal based power plants replacing LNG based power generation as a major source of electricity. RLNG based power generation came down to 9.2pc from a healthy contribution of about 25pc in July-August.

Third position was secured by nuclear energy with 11.55pc share while locally produced gas based electricity production came in at 4th position with 9.34pc just above 5th position of RLNG based power. The share of wind power plants also dropped to just 2pc.

There was negligible power intake from power plants based on high speed diesel, furnace oil, bagasse and solar.

There was no fuel cost on hydroelectricity while coal based fuel cost stood at Rs5.8 per unit. Nuclear energy fuel cost stood at Rs1.01 per unit while power produced local gas stood at Rs6.86 per unit. The cost of RLNG-based plants was worked out at Rs10.056 per unit – the highest cost of power produced in the country from any source during the month of November. The electricity imported from Iran had a cost of Rs11.57 per unit and its total share in power supply was just 0.48pc.

The higher tariff adjustment will not be charged to lifeline consumers using up to 50 units per month but all other consumer of all categories including industrial sector and agriculture tube wells would have to bear the additional burden. The revised rates would also not apply to K-Electric consumers.