

Discos, Nepra to approve increase in tariffs

ISLAMABAD: National Electric Power Regulatory Authority (Nepra) is all set to increase Discos' tariffs under quarterly tariff adjustment mechanism by Rs 2 per unit but upward and downward adjustments under monthly fuel price adjustment will be different for different months.

The tariff adjustments is necessary to meet the conditions of the IMF for the smooth sailing of programme. Nepra will hear the pending petitions of Discos on Thursday (today).

The sources said that fuel charges adjustment for the period November 2019 to June 2020 will be adjusted in a way that the impact is minimal on the consumers whereas adjustment in quarterly tariff on account of variation for second and third quarter from October 2019 to March 2020, which is expected to be around Rs 2 per unit, will be passed on after September next, when the collection of previous quarterly adjustment will be complete.

According to the data, CPPA-G has sought an increase of Rs 1.75 per unit for February 2020 and Rs 0.1216 per unit for March, whereas a reduction of Rs 0.4482 per unit, Rs 0.6223 per unit and Rs 0.5372 per unit has been sought for April, May and June 2020 respectively.

For quarterly adjustments, Discos sought an adjustment of Rs 162.363 billion for two quarters (second and third quarter 2019-20).

Discos had sought an increase in electricity tariff upto Rs 2 per unit under quarterly tariff adjustment mechanism for second and third quarter - from October 2019 to March 2020.

National Electric Power Regulatory Authority (Nepra) held a public hearing on June 3, 2020 to decide about the tariff petitions of Discos, meant to recover Rs 162.363 billion from consumers.

According to the tariff petitions, Discos had sought an adjustment of Rs 72.770 billion for second quarterly adjustment October to December 2019, of which Rs 60.84 billion is required under Capacity Purchase Price (CPP), Rs 2.851 billion against variable O&M cost, Rs 1.662 billion, UoSC & MoF, Rs 7.778 billion as impact of T&D losses on monthly FCA and Rs 95 million as impact of extra/ less purchases.

For third quarterly adjustment January to March 2020, Discos sought adjustment of Rs 89.363 billion, of which Rs 82.385 billion is CPP, Rs 1.5 billion variable O&M, Rs 1.188 billion UoSC & MoF, Rs 4.555 billion impact of T&D losses on monthly FPA. Discos sought a reduction of Rs 20 million as impact of extra/less purchases.

Of the total adjustment of Rs 162.363 billion, Iesco sought a cumulative adjustment of Rs 16.233 billion, Lesco Rs 28.166 billion, Gepco Rs 13.494 billion, Fesco Rs 23.043 billion, Mepco Rs 23.694 billion, Pesco Rs 29.776 billion, Hesco Rs 9.978, Qesco 14.725 billion, Sepco Rs 4.139 billion, Tesco Rs 889 million (reduction).

KE Tariff Adjustment - The Authority will also adjust KE's tariffs of two quarters and fuel components.

KE, in its petitions sought an increase of Rs 0.657 per unit for January 2020, Rs 0.975 per unit for February, Rs 0.480 per unit for March under monthly fuel price adjustment. However, a reduction of Rs 0.621 per unit has been proposed for April 2020.

KE has also filed a request for quarterly adjustments in tariffs on account of variation in Power Purchase Price (PPP) - other than fuel, impact of fuel charges variation, as per the mechanism provided in the Multi-Year Tariff determination. KE, in this regard, has requested a Re 0.115 per unit reduction in tariff for October - December 2019 and Re 0.233 per unit increase for quarter January-March 2020.