BUSINESS RECORDER
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Discos allowed to hike tariff

ISLAMABAD: National Electric Power Regulatory Authority (Nepra) has allowed power Distribution Companies (Discos) to increase tariff by paisa 48 per unit across the board except lifeline consumers and KE under monthly Fuel Component Adjustment (FCA) for August 2020.

Central Power Purchasing Agency-Guaranteed (CPPA-G) had sought an increase of paisa 98.5 per unit, financial impact of which was Rs14 billion. However, Nepra held several international meetings with the CPPA-G post public hearing and decided to pass on only Rs7 billion at the rate of paisa 48.3 per unit, which is 100 per cent less than the proposed raise in tariff.

The Authority has deducted Rs404 million on account of previous adjustments and Rs6.6 billion on provisional basis on account of operation of plants on RFO/HSD from the costs claimed by CPPA-G.

The FCA of August 2020 shall be charged in the billing of November 2020 to all the consumer categories of Discos, except lifeline consumers, i.e. having consumption up to 50 units and would remain applicable only for one month.

According to the determination, the Authority also during the hearing observed that, prima facie, certain efficient power plants were not fully utilized and instead energy from costlier RFO & HSD based power plants was generated to the tune of over Rs11.594 billion (Rs9.694 billion from RFO and Rsl.9 billion from HSD based power plants) during the month of August 2020. The Authority noted that had this energy been generated from other cheaper sources like RLNG or coal, this would have resulted in reduction in total fuel cost claimed by CPPA-G.

The Authority has been directing NPCC/NTDC and CPPA-G repeatedly to provide complete justification in this regard, to the satisfaction of the Authority and submit complete details for generation made on RFO/HSD, showing hourly generation along with the financial impact for deviation from EMO, if any, and the reasons, thereof.

The Authority argues that although, NPCC/NTDC provided details of plants operated on RFO/HSD with reasons thereof, and also presented the same during hearing in the instant FCA for August 2020, yet the Authority also carried out its own in-house analysis in this regard. As per the analysis/workings carried out by the Authority, the additional impact of operation of RFO/ HSD plants, is around Rs6.655 billion. The Authority decided not to allow this amount in the instant FCA until NPCC/NTDC and CPPA-G submits complete details for generation made on RFO/HSD, showing hourly generation along with its financial impact for deviation from EMO, if any, and the reasons thereof, to the satisfaction of the Authority. The amount being withheld would be considered once the NPCC/NTDC and CPPA-G provides the required details.

The Authority after incorporating self-calculated adjustments has allowed the fuel cost, including costs arising due to application of various factors as provided in the respective PPAs of the power producers and claimed by CPPA-G in its monthly FCAs.

However, the amount arising out of application of PPA factors, for the six RFO based IPPs, incorporated under 2002 Power Policy, is being allowed on provisional basis and shall be subject to adjustment, based on the final outcome of the ongoing suo moto proceedings against the RFO based IPPs.

NTDCL reported T&T losses of 401.74 GWh i.e. 2.69% based on energy delivered on NTDCL system during August 2020.

The same has however been verified as 2.67%, therefore, for working out FCA of August 2020, T&T losses of 399.13 GWh have been considered.