

**20-paisa increase for September approved**

National Electric Power Regulatory Authority (Nepra) on Wednesday approved provisional increase of 20 paisas per unit in electricity prices for September 2018 for Discos consumers under monthly Fuel Cost Adjustment (FCA) formula. The decision has been taken by the Authority in a public hearing presided over by Chairman Nepra, Brig Tariq Saddozai (retired) along with Saif Ullah Chatha, (Member Punjab) and Rehmatullah Baloch (Member Balochistan).

Central Power Purchasing Agency Guaranteed (CPPA-G), in its tariff petition had requested an increase of 44 paisa per unit in electricity rates, however, Nepra allowed an increase of 19.99 paisas per unit. The total impact of this increase will be Rs 2.4 billion against CPPA-G's demand of Rs 5.2 billion.

Consumers of electricity will have to bear an additional burden of about Rs2.4 billion owing to this increase. The price increase will be applicable on all Discos except for K-Electric.

Chief Executive CPPA-G Rehan Ahmad said that increase of 20 paisas per unit, will not hike the effective rate, clarifying that last month effective rate was Rs 5.92 per unit which has now been reduced to Rs 5.76 per unit.

CPPA-generated around 1,024.00 GWh from furnace oil based plants costing Rs 15.548 billion i.e. Rs 15.50 /KWh. However, the coal-fired power plants i.e. Port Qasim and Sahiwal coal and RLNG based plants i.e. Balloki and Haveli Bahadar Shah (HBS) were not fully utilized.

According to Nepra officials, had the units on furnace oil been generated from coal and RLNG based power plants, the total fuel cost for such units would have been around Rs 8.6 billion, thus resulting in reduction in total cost by around Rs 7.4 billion.

As per notified determination of July 27, 2017, NTDC is allowed Transmission and Technical (T&T) losses of 2.80 per cent only at 500 KV and 220 KV network. However, CCPA-G claimed losses of 3.5 percent whereas the data provided by NTDC showed T&T losses of 302.85 GWh i.e. 3.15 percent during September 2018. However, an official from NPCC said that there was shortage of RLNG supply due to which generation on this fuel was less.

Nepra officials maintained that reported accumulative losses for September 2018 work out as 3.15 percent which are higher than the allowed threshold of 2.80 percent. Accordingly, for working out of FCA for September 2018, losses up to 2.80 per cent have been considered while calculating FCA of September 2018.

CPPA-G claimed Rs 857.478 million for Balloki power plant owing to difference in rates approved by the Authority and claimed by CPPA-G. The amount has been verified as Rs 745.856 million which was included in the FCA.

CPPA-G claimed Rs 1.545 billion for NPCGL for the period from July, 2017 to June, 2018, owing to partial load correction factor. CPPA-G did not provide its working hence, the amount has not been examined.

CPPA-G claimed Rs 155 million for JPCL but provided details to the extent of Rs 39 million only, which as per CPPA-G is due to partial load correction factor. For the remaining amounts no detailed working has been provided by the CPPA-G. The amount of Rs 39 million is being verified through technical section, therefore, for the FCA of September 2018, no amount has been considered.

The price of furnace oil has increased by 60 percent from Rs 45000 per ton to Rs 72000 per ton till September. The impact of exchange rate on FCA has been calculated at Rs 8 billion.

The CPPA in its petition said it had charged consumers a reference tariff of Rs5.12 per unit in September 2018, while the actual fuel cost turned out to be Rs5.57 and hence it should be allowed to recover 44 paisas additional cost from consumers next month.

The total power generation from all sources in September was recorded at 12,552 Gwh, around 11 percent lower than 14,017 Gwh in August. The total cost of energy generated in September 2018 amounted to Rs 63.4 billion; of this, about 12,082 Gwh was sold to Discos at Rs67.25bn with a transmission loss of 3.57 percent.

The share of hydel power generation in September remained healthy at 34 percent - up from 32 per cent in August and 28 percent in July. With the induction of three new mega power projects of 1,230MW each in Punjab, Re-gasified Liquefied Natural Gas (RLNG) captured the second position with a contribution of 22.68pc.

In contrast, residual fuel oil-based power generation was reported at 8.1 per cent in September as against 11.73 in August, while locally produced gas-based generation stood at 15.78 percent, compared to 14.55 percent in August. Coal-based generation fell down to 9.1 percent last month, compared to 9.6 percent in August and 12.63 percent in July.

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