

Power distribution firms seek increase in tariff

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ISLAMABAD: Ex-Wapda distribution companies (Discos) have sought an increase of about 63 paise per unit in consumer tariff on account of monthly fuel price adjustments due to currency devaluation, rising international oil prices and other changes in benchmarks.

The National Electric Power Regulatory Authority (Nepra) will take up for public hearing on Aug 29 a petition seeking an increase in consumer tariff. Higher electricity rates, if approved by the regulator, would be recovered from consumers in the upcoming billing month — September 2018.

The Central Power Purchasing Agency-Guarantee (CPPA-G), on behalf of Discos, claimed the additional cost of 63 paise per unit on the basis of base tariff 2015-16, instead of the previous benchmarks of 2014-15.

The new base tariff allows relaxed benchmarks for power companies and higher indexations on various items.

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Discos suggest 63 paise per unit rise on account of monthly fuel price adjustments

The CPPA, in its petition, said it had charged consumers a reference tariff of Rs4.98 per unit in July, while the actual fuel cost turned out to be Rs5.61 per unit. Therefore, the petition argued, the CPPA should be allowed to recover the additional cost from consumers next month.

Total energy generation from all sources in July 2018 was recorded at 13,750.87 Gwh (Gigawatt hours) at a total cost of Rs73.098 billion, while 13,397 Gwh was sold to Discos at a rate of Rs75.12bn. Transmission losses were recorded at 2.5 per cent.

The share of hydel power generation in July remained almost unchanged at 28pc, which was the same in June. May, however, recorded 18.30pc. With the induction of three new mega projects of 1,230MW each in Punjab, the share of re-gasified liquified natural gas (RLNG) contributed 24.5pc, compared to 23.8pc in May.

In contrast, residual fuel oil (RFO)-based electricity generation dropped to 9.34pc in July, while locally produced gas-based generation stood at 14.87pc. Coal-based generation contributed 12.63pc to the national grid.

There was no fuel cost on hydroelectricity, while coal-based fuel cost stood at Rs6.03 per unit, compared to Rs13.55 per unit fuel cost of furnace oil-based plants. Liquified natural gas-based generation cost also went up, amounting to Rs9.72 per unit in July, compared to Rs9.31 in June. This is due to the fact that its prices are linked to international oil prices. Domestic gas-based generation cost stood at Rs5 per unit.

Because of higher international oil prices and currency devaluation, the fuel cost of both RFO- and LNG-based plants went up by almost 50 and 40 paisas per unit, respectively.

Nuclear energy contributed about 5.35pc electricity to the national grid at a fuel cost of 95 paise per unit, while power produced by sugar mills accounted for less than 1pc share at a fuel cost of

Rs6.18 per unit. The electricity imported from Iran had a cost of Rs11.57 per unit and its total share in generation was 0.21pc in July as supply disruptions created problems.

Wind injected its 3.12pc electricity to the grid, while solar power chipped in with 0.44pc — again at no cost.

The higher tariff adjustment will not be charged to lifeline consumers using up to 50 units per month, but consumers of all other categories, including industrial sector and agriculture tubewells, would have to bear the additional burden. The decision will not be applicable to K-Electric consumers.

Published in Dawn, August 27th, 2018