

Discos allowed: 36-paisa/unit tariff raise for July

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National Electric Power Regulatory Authority (Nepra) has allowed power Distribution Companies (Discos) to increase tariff by 36 paisas per unit for July 2018 under monthly fuel price adjustment mechanism. The decision was taken by Nepra in a public hearing on a tariff petition of the CPPA-G presided over by Chairman Nepra, Brigadier Tariq Saddozai (retd). Member Punjab, Saif Ullah Chatha and Member Balochistan Rehmat Ullah Baloch also attended the meeting. The total impact of raise in tariff has been calculated at Rs 4.5 billion.

The CPPA-G had also sought Rs 2.250 billion in the name of previous adjustment/ supplemental charges. However, Nepra has allowed adjustments of Rs 2.5 million, Rs 237 million, Rs 587 million and Rs 282 million in different heads. The Nepra's technical team sought more documentary evidence from CPPA-G for approval of Rs 297 million for Nandipur Power Project and Rs 243 million for Sahiwal coal-fired project.

The Nepra officials stated that total cost of 13,750.83 GWh generated in July 2018 was Rs 73 billion instead of Rs 66.4 billion due upward variation in prices of furnace oil, HSD and combined gas prices.

CEO CPPA-G, Muhammad Rehman said that since the company shares even negative adjustment with Nepra, the request of adjustment of Rs 0.1636 per unit for supplemental charges be accommodated.

The chairman Nepra assured him if Nepra's technical team agrees to the working shared by CPPA-G, tariff will be further increased by 10 paisas per unit, totaling it to 45.70 paisas per unit.

According to the chairman Nepra, the main reason of increase in tariff is increased in prices of furnace oil from reference price of Rs 47,000 per ton to Rs 64,000 per ton, HSD from Rs 68,000 per ton to Rs 72,000 per ton and combined gas (natural gas + RLNG) from Rs 900 per MMBTU to Rs 1450 per MMBTU.

The CPPA, in its petition said that it has purchased 10.74 GWh electricity generated on High Speed Diesel (HSD) in July 2018 at a cost of Rs 12.8538 per unit. The total generation from hydel sources was 3,891.5, GWh accounting for just 28.30 per cent of total generation.

The CPPA purchased 1,283.76 GWh electricity produced on residual fuel oil (RFO), 9.34 percent of total generation at a cost of Rs 13.5532 per unit whereas the cost of electricity generated by using indigenous gas was Rs 5.0246 per unit and its total share in electricity generation was 2,045 GWh accounting for 14.87 per cent of total generation during the entire month. The electricity generated from RLNG was 3,370.24 GWh making it 24.51 percent of total generation at a cost of Rs 9.7210 per unit. The coal-fired power generation was 1,736.77 GWh, 12.63 percent of total generation at a cost of Rs 6.0323 per unit.

Nuclear power plants generated 735.65 GWh of electricity at a rate of Rs 0.9523 per unit, cheapest amongst all fuels. The electricity imported from Iran was 28.3989 GWh at a price of Rs 11.57 per unit. The 99.86 GWh was generated through bagasse at a cost of Rs 6.1832 and 428.92 GWh and 61.52 GWh were purchased from wind and solar respectively.

According to the petition, total energy generated in July 2018 was 13,750.83 GWh at a total price of Rs 73.098.27 billion. The net electricity delivered to power distribution companies was 13,397.17 GWh at a cost of Rs 75. 120 billion and tariff Rs 5.6072 per unit. Out of total delivered electricity, losses stood at 2.5 per cent (343.12 GWh at a cost of Rs 0.1442 per unit).

After calculating the data provided by CPPA-G, Nepra approved an increase in tariff by 35.70 paisa per

unit on the basis of actual fuel charges of Rs 5.338 per unit against reference fuel charge component of Rs 4.9811. The CPPA-G had sought increase of 62.61 paisas per unit.

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