

Power Distribution Companies, Nepra approves 31 paisa/unit refund in tariffs

ISLAMABAD: National Electric Power Regulatory Authority (Nepra) on Thursday provisionally approved 31 paisa per unit refund in tariffs of power Distribution Companies (Discos) for November 2018, under monthly fuel price adjustment mechanism.

The decision was taken at a public hearing held under the chairmanship of Rehmatullah Baloch Vice Chairman /Member Balochistan accompanied by Saif Ullah Chatha, Member Punjab and Rafique Ahmed Shaikh, Member Sindh. This refund will be applicable on consumers who consumed more than 300 units in November. The financial impact of reduction will be around Rs 2 billion of which hardly Rs 1 billion will be passed on to the consumers.

Initially, Nepra officials recommended a refund of 58 paisa per unit but abrupt intervention from Chief Executive Officer (CEO), Central Power Purchasing Agency Guaranteed (CPPA-G), seeking adjustment of additional Rs 2 billion provisionally for Bhikki Power Plant (with invoices yet to be verified by the Nepra's technical team) led to a downward adjustment of refund to 31 paisa. The Authority initially declared that this adjustment will be made next month after verification of claims, but the situation suddenly changed after the CEO, CPPA-G requested that since negative adjustment in tariff is made for November, it would be better to adjust Rs 2 billion and other pending invoices at present; officials of Nepra also sided with CPPA-G after which the Authority reviewed its earlier verbal decision and allowed adjustment of Rs 2 billion. Had the Authority approved refund of Rs 58 paisa per unit, the consumers' financial benefit would have been Rs 4.5 billion.

Nepra's case officer stated that price mix variation in November has been noted at Rs 6.3 billion of which Rs 4.7 billion was on account of exchange rate and Rs 1.6 billion on account of higher prices of furnace oil.

CPPA-G had sought previous adjustments' for the following power plants: (i) JPCL- Rs 310 million ;(ii) NPCCL -Rs 75 million;(iii) Hub Power-Rs 210 million;(iv) Fauj Kabirwala-Rs 230 million ;(v) Rouch Power -Rs 520 million;(vi) Uch Power- 1.004 billion;(vii) Port Qasim- Rs 462 million and ;(viii) QATPL- Rs 1.053 billion. The Nepra approved adjustment of Rs 3.308 billion which also includes some adjustments of JPCL, NPGCL and Nandipur.

According to Nepra the generation cost was Rs 4.71 per unit whereas CPPA-G had charged Rs 5 per unit from consumers as fuel price adjustment. Total energy generation from all sources in November was recorded at 7,545Gwh, about 21 per cent lower than 9,574Gwh in October and almost 46pc lower than August this year. The total cost of energy generated in November amounted to Rs29.76 billion compared to a full bill of Rs52.13billion in October. About 7,318Gwh were sold to the Discos at Rs34.5billion with a transmission loss of 2.84pc.

The share of hydel power generation in November improved to almost 34pc or about 2,564Gwh even though it was slightly better than 2,390Gwh of October when its share in overall electricity supply stood at 25pc. The share of re-gasified liquefied natural gas (RLNG)-based power generation captured second position with a contribution of 17pc in November compared to 22.92pc in October. In contrast, Residual Fuel Oil (RFO)-based electricity generation dropped to a negligible 0.08pc in November compared to its 7.88pc share in October while locally produced gas-based generation stood almost unchanged at 20pc.

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