

## Power firms seek Rs1.5/unit hike in consumer tariff

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**ISLAMABAD:** The ex-Wapda distribution companies (Discos) have sought about Rs1.50 per unit increase in consumer tariff on account of monthly fuel price adjustment due to currency devaluation, higher international oil prices and changes in benchmarks to consumers' disadvantage.

The National Electric Power Regulatory Authority (Nepra) will take this petition up for public hearing on September 26, for increase in consumer tariff for ex-Wapda distribution companies (Discos) on account of fuel cost adjustment for electricity consumed in July. The higher electricity rates, on approval by the regulator, would be recovered from consumers in the upcoming billing month, i.e. October.

The Central Power Purchasing Agency-Guarantee (CPPA-G) on behalf of the Discos claimed an additional cost of Rs1.50 per unit, on the basis of recently notified base tariff of 2015-16, instead of the previous tariff of 2014-15, on the basis of which, the regulator used to make monthly fuel cost adjustments in the past, that resulted in refunds to consumers.

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

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The CPPA in its petition said it had charged consumers a reference tariff of Rs4.755 per unit in August while the actual fuel cost turned out to be Rs6.25 per unit and hence it should be allowed to recover Rs.150 per unit additional cost from consumers next month.

The total energy generation from all sources in August was recorded at 14,017Gwh (gigawatt hour), at a total cost of Rs77.8 billion, while 13,632Gwh were sold to the Discos at Rs85.18bn, with a transmission loss of 2.67pc.

The share of hydel power generation in August remained healthy, at 32pc, up from 28pc in July. With the induction of three new mega projects of 1230MW each in Punjab, the share of regasified liquefied natural gas (RLNG) stood second, with a contribution of 22.74pc, slightly lower than 24.5pc in July.

In contrast, Residual Fuel Oil (RFO)-based electricity generation was reported at 11.73pc in August, compared to 9.34pc in July, while locally produced gas-based generation stood at 14.55pc in August, against 14.87pc in July. Coal-based generation fell to 9.6pc in August compared to 12.63pc share in July.

There was no fuel cost on hydro-electricity, while coal-based fuel cost stood at Rs6.4 per unit, compared to Rs14.5 per unit fuel cost of furnace oil-based plants. LNG-based generation cost increased to Rs10.2 per unit in August compared to Rs9.72 in July and Rs9.31 per unit in June because its prices are linked to international oil prices and rising. Domestic gas-based generation cost stood at Rs5 per unit.

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

Nuclear energy contributed about 5.35pc electricity to the national grid at a fuel cost of 96 paisas per unit, while power produced by sugar mills accounted for less than 1pc share, at a fuel cost of Rs6.2 per unit. The electricity imported from Iran had a cost of Rs11.57 per unit and its total

share in generation was 0.35pc in August, compared to 0.21pc in July because of partial supply disruptions.

Wind produced 3.13pc electricity was generated at zero fuel, cost while 0.45pc contribution came from solar energy, again at no cost.

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

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