



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/TRF-362/K-Electric-2016/ 28167-71

June 4, 2021

Chief Executive Officer
K-Electric Limited (KEL)
KE House, Punjab Chowrangi,
39 – B, Sunset Boulevard, Phase-II
Defence Housing Authority, Karachi.

Subject: Decision of the Authority in the matter of Monthly Fuel Charges Adjustments of K-Electric Limited for the period from June-December 2020 and Notification (S.R.O. 707(I)/2021 dated 04.06.2021) Thereof

Enclosed please find herewith a copy of decision of the Authority (10 pages) in the matter of fuel charges for the period from June-December 2020 in respect of K-Electric Limited, along with Notification (S.R.O. 707(I)/2021 dated 04.06.2021) thereof. This is for information and further necessary action.

2. While reflecting the Fuel Adjustment Charges, K-Electric Ltd. shall keep in view and strictly comply with the orders of the court(s), if any, notwithstanding this order.

Enclosure: As above (Decision along Notification is also available on NEPRA's website)


(Syed Safer Hussain)
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CC:

1. Secretary, Ministry of Energy, Power Division, 'A' Block, Pak Secretariat, Islamabad.
2. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
3. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
4. Secretary, Privatization Commission, 4th Floor, Kohsar Block, Constitution Avenue, New Secretariat, Islamabad

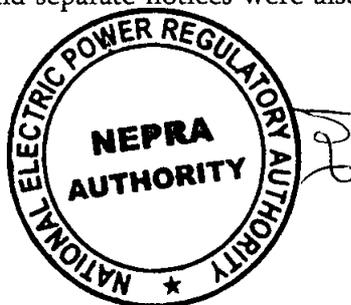
**DECISION OF THE AUTHORITY IN THE MATTER OF MONTHLY FUEL CHARGES
ADJUSTMENTS OF K-ELECTRIC LIMITED FOR THE PERIOD FROM JUNE TO DECEMBER 2020**

1. Pursuant to the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997, and as per the mechanism for monthly, quarterly and annual adjustments provided in the tariff determination of K-Electric Limited (herein referred to as "K-Electric or KE") dated July 05, 2018, duly notified in the official Gazette vide SRO No. 576(I)/2019 dated May 22, 2019, the Authority has to review and revise the approved tariff on monthly, quarterly and annual adjustments.
2. As per the mechanism provided in the determination, impact of change in KE's own generation fuel cost component due to variation in fuel prices, generation mix and volume shall be passed on to the consumers directly in their monthly bills in the form of Fuel Charges Adjustment (FCA). Similarly, impact of change in the fuel component of Power Purchase Price (PPP) due to variation in fuel prices and energy mix shall also be passed on to the consumers through monthly FCA.
3. However, the impact of monthly variations in million rupees in KE own generation's fuel cost component as well power purchase price to the extent of targeted T&D losses, not taken into account in the monthly FCAs, shall be adjusted on quarterly basis.
4. Pursuant to notification of the determined MYT, K-Electric filed its monthly FCA request from June 2020 to December 2020. A summary of the adjustment requests filed by K-Electric is as under;

| Monthly FCA | | |
|-------------|---------|---------|
| Month | Mln Rs. | Rs./kWh |
| Jun-20 | (962) | (0.499) |
| Jul-20 | 1,434 | 0.713 |
| Aug-20 | 2,540 | 1.400 |
| Sep-20 | 2,135 | 1.123 |
| Oct-20 | 9 | 0.005 |
| Nov-20 | (1,073) | (0.871) |
| Dec-20 | (181) | (0.168) |

Hearing

5. Since the impact of any adjustments has to be made part of the consumer end tariff, therefore, the Authority, in order to provide an opportunity of hearing to all the concerned and meet the ends of natural justice, decided to conduct a hearing in the matter.
6. The hearing was accordingly held on February 23, 2021, through ZOOM. The advertisement for hearing was published in newspapers and separate notices were also sent to the stakeholders for



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inviting comments from the interested/ affected parties. Salient features and details of the proposed adjustments along-with with notice of hearing were also uploaded on NEPRA's Website for information of all concerned.

7. Following issues were framed for discussion during the hearing;
- i. Whether the requested Fuel price variations are justified?
 - ii. Whether the requested quarterly variations are justified?
 - iii. Whether, the K-electric has followed the merit order while giving dispatch to its power plants as well as power purchases from external sources?

8. Written comments were received form Amreli Steel, a brief of which is as under;

- ✓ *The mechanism for adjustment in tariff due to variation in fuel price, KE is required to submit its monthly adjustment and quarterly adjustment within seven days following the current month and quarterly adjustment within fifteen days following the last month of each quarter.*
- ✓ *As per the mechanism for adjustment in tariff due to variation in power purchase price (PPP), KE shall within seven days and fifteen days submit the monthly and quarterly adjustment following the current month and quarterly adjustment following the last month of each quarter.*
- ✓ *From the above it is clear that NEPRA should only entertain those fuel price adjustment and power price adjustment monthly and quarterly that fall within the prescribed timelines as mentioned in the SRO 576 (I)/2019.*
- ✓ *The principle of time frame for submission of application has been settled in the judgment passed by the Honorable Supreme Court of Pakistan as regards to submission of Fuel Price Adjustment and Power Purchase Price Adjustment. The relevant portion of the judgment is reproduced for your ready reference.*

"After considering the question raised by the learned counsel for the Appellants, the response given by the learned counsel for NEPRA and with consent of both parties, we direct as follows:

In future the time fixed in terms of provisions of second proviso to Section 31(4) of Act XL of 1997 for claiming tariff revision on the basis of fuel price fluctuation shall be four (4) months with reference to the bill/notified tariff of any particular month:

For filing refund claims by consumers, which are based upon downward fluctuation of fuel price, we find that a period of two (02) months is reasonable for the purpose of processing and granting such refunds relatable to the bill of a particular month; and

The above timeframe would apply for future billing/refunds, etc. However, fuel price adjustment surcharged already imposed and recovered/claimed on the basis of fuel price fluctuation having been permitted by the NEPRA in the past shall be paid/cleared by the appellants/consumers within a period of one (01) months."



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- ✓ *Amreli Steel further submitted that, in view of the above judgment the adjustment should have been determined within four/two months for any respective month. It is pertinent to note that the order being a consent order is binding on NEPRA also.*
- ✓ *NEPRA at the best can only allow and determine those fuel price adjustment and quarterly adjustment to the power distribution companies that have been filed to the Authority as per the time frame.*

9. Lt. Gen (R) Moin Ud Din Haider in his written comments appreciated the increase in national Average Purchase price from Rs.9.95/kWh to Rs.12.95/kWh and requested that impact of the same may be passed on to the net metering consumers.

10. K-Electric, in its adjustment requests, has certified that it despatches as per Economic Merit Order from its own generation units (with the available fuel resources) and import from external sources. It also certified that the cost of fuel and power purchase claims do not include any amount of late payment surcharge/mark-up/interest.

11. K-Electric provided the plant wise generation statistics sheet, signed by K-Electric employees. The plant wise statistic sheets provide information in terms of Plant Capacity, Actual Units Generated, Actual Auxiliary consumption, Net Generation and Bus Bar sent outs, Actual Heat Rates, fuel consumption & cost of Fuel and Generation cost per unit. In addition K-Electric also provided copies of invoices raised by Fuel Suppliers and copies of invoices raised by IPPs. The Authority also asked for certain additional information from K-Electric with respect to actual calorific value of RFO consumed, status of fuel supply agreements, Audited accounts of IPPs, plant utilization factors, detail of penalties imposed on external power sources, consumer wise details of write-offs etc.

12. The Authority based on the information, data and record provided by K-Electric, has analyzed the FCA claims of K-Electric and issue wise discussion is as under; The issue regarding quarterly variations has been deliberated in the quarterly tariff decision of K-Electric for the period from April to December 2020.

K-Electric Own Generation

13. In order to verify the generation numbers reported by K-Electric, the Authority analyzed the plant wise generation statistics sheet, provided by K-Electric. The sheet provided information in terms of plant capacity, actual units generated, actual auxiliary consumption, net generation and bus bar sent outs, actual heat rates, fuel consumption & cost of fuel and generation cost per unit. While going through the data / information provided by K-Electric regarding fuel cost of energy from its own power plants, the Authority's observations are as under;

14. K-Electric, as required under the MYT, conducted the heat rate test of BQPS-II Power Plant. The Authority, pursuant thereto, vide decision dated 09.05.2019 allowed heat rate of 7,990.96



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BTU/kWh (net HHV) for the period May 2012 to May 2018 and 8,358.45 BTU/kWh (net HHV) for the period from June 2018 to June 2023. However, K-Electric filed Review against the decision, which was decided by the Authority vide decision dated 01.01.2020, wherein the Authority, *inter alia*, decided as under;

".....for the period from June 2018 to June 2023, the heat rate of 8,380.74 Btu/kWh - net HHV, corresponding to 40.71% efficiency is approved. This heat rate will be applicable for the control period on flat basis, without any additional adjustment for other parameters. The Authority may order fresh heat rate test, after the expiry of the control period of present MYT determination and after the Major Overhauling (MOH) of BQPS-II. Such test shall be conducted by an Independent Engineer in presence of NEPRA professionals as per procedure mentioned in MYT and other instructions issued by the Authority."

15. In view thereof, the heat rate of BQPS-II i.e. 8,380.74 BTU/kWh, allowed by the Authority, vide decision dated 01.01.2020 has been used for working out the monthly/ quarterly adjustments of K-Electric from July 2019 onward including the period under consideration i.e. June 2020 to December 2020.

16. K-Electric also, as required under the MYT, carried out heat rate test of KCCPP. Pursuant thereto, the Authority, in its decision dated 02.09.2020 decided as under;

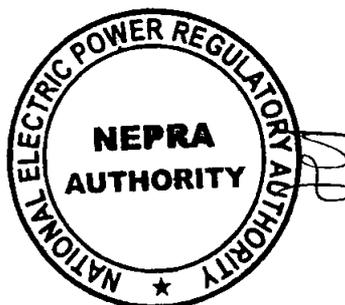
"i. For the period from July 2016 to May 2019, the heat rate i.e. 8,250.06 Btu/kWh - net HHV, corresponding to 41.36% efficiency is approved with no further adjustment for degradation and partial loading allowed.

ii. For the period from June 2019 to June 2023, the heat rate i.e. 8,377.032 Btu/kWh - net HHV, corresponding to 40.732% efficiency is approved. This heat rate will be applicable for the control period on flat basis, without any additional adjustment for other parameters.

iii. KE is required to conduct maintenance including Major Overhaul of its plants / units as per prudent utility practices and recommendations of OEM.

iv. In case of non-requirement of Gas compressors - the relevant capacity and Heat rates would be adjusted. For such a scenario, relevant capacity and heat rates calculated during the present tests would be used."

17. K-Electric, has filed a motion for leave for review against the Authority's decision dated 02.09.2020, which has not yet been decided, therefore, K-Electric has used the heat rate of 8,497 BTU/kWh, as allowed in the MYT determination, while working out its instant adjustments. The Authority, however, for the purpose of instant adjustments has considered the heat rates, as approved vide decision dated 02.09.2020. This has resulted in reduction in fuel cost claimed by K-Electric for KCCPP by Rs.79 million, which has accordingly been adjusted while processing of the instant monthly FCAs of K-Electric. In case of any subsequent revision in heat rates of KCCP, on the basis of Review motion filed by K-Electric, the impact of the same would be adjusted in the subsequent tariff adjustments of K-Electric.



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*Decision of the Authority in the matter of Monthly Fuel Charges Adjustments
of K-Electric Limited for the Period from June to December 2020*

18. For KGTPS and SGTPS plants, pursuant to the heat rate tests conducted by K-Electric, the Authority approved the following Heat Rates for these plants vide decisions dated 18.01.20201, against the already allowed Heat Rates of 8,738 for KGTPS and 8,746 for SGTPS in the MYT;

Heat Rate for July 2016 – June 2019

Requested by KE:

| Plant | Net HHV Heat Rate (Btu/kWh) at RSC | Corresponding Efficiency |
|-------|------------------------------------|--------------------------|
| KGTPS | 9276 ¹ | 36.78% |

¹ Average of 7 year Heat Rate (FY 2017-23) corresponding to 50% loading (2 sections in CC mode)

Allowed:

| Plant | Net HHV Heat Rate (Btu/kWh) at RSC | | Corresponding Efficiency |
|-------|------------------------------------|---------|--------------------------|
| | 100% loading | 9041.66 | |
| KGTPS | 75% loading | 9092.66 | 37.527% |

Heat Rate for July 2019 – June 2023

Requested by KE:

| Plant | Net HHV Heat Rate (Btu/kWh) at RSC | Corresponding Efficiency |
|-------|------------------------------------|--------------------------|
| KGTPS | 9276 ¹ | 36.78% |

¹ Average of 7 year Heat Rate (FY 2017-23) corresponding to 50% loading (2 sections in CC mode)

Allowed:

| Plant | Net HHV Heat Rate (Btu/kWh) at RSC | | Corresponding Efficiency |
|-------|------------------------------------|----------|--------------------------|
| | 100% loading | 9048.22 | |
| KGTPS | 75% loading | 9099.212 | 37.499% |

Heat Rate for July 2016 – June 2019

Requested by KE:

| Plant | Net HHV Heat Rate (Btu/kWh) at RSC | Corresponding Efficiency |
|-------|------------------------------------|--------------------------|
| SGTPS | 9264 ¹ | 36.83% |

¹ Average of 7 year Heat Rate (FY 2017-23) corresponding to 50% loading (2 sections in CC mode)

Allowed:

| Plant | Net HHV Heat Rate (Btu/kWh) at RSC | | Corresponding Efficiency |
|-------|------------------------------------|----------|--------------------------|
| | 100% loading | 9045.93 | |
| SGTPS | 75% loading | 9064.794 | 37.642% |

Heat Rate for July 2019 – June 2023

Requested by KE:

| Plant | Net HHV Heat Rate (Btu/kWh) at RSC | Corresponding Efficiency |
|-------|------------------------------------|--------------------------|
| SGTPS | 9264 ¹ | 36.83% |

¹ Average of 7 year Heat Rate (FY 2017-23) corresponding to 50% loading (2 sections in CC mode)

Allowed:

| Plant | Net HHV Heat Rate (Btu/kWh) at RSC | | Corresponding Efficiency |
|-------|------------------------------------|---------|--------------------------|
| | 100% loading | 9077 | |
| SGTPS | 75% loading | 9095.92 | 37.512% |

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19. Since the decisions were issued on 18.01.2021, therefore, K-Electric in its adjustment requests used the heat rates for KGTPS and SGTPS as allowed in the MYT determination, which are on the lower side. Accordingly, for the purpose of calculation of instant adjustment requests, the Authority has also considered the heat rates / Auxiliaries of KGTPS and SGTPS as allowed in the MYT determination. Here it is pertinent to mention that K-Electric has filed review motions against the above mentioned decisions of the Authority, therefore, in case of any subsequent revision in the heat rates of KGTPS and SGTPS, on the basis of Review motion filed by K-Electric, the impact of the same would be adjusted in the subsequent tariff adjustments of K-Electric.

20. For BQPS-I, K-Electric has also conducted the heat rate test, for which decision of the Authority is under process. Therefore, for the purpose of instant adjustments, heat rates of BQPS-I, as allowed in the MYT determination have been considered.

21. Regarding GIDC, K-Electric submitted that SSGC has billed K-Electric an amount of Rs.1,557 million in the month of August 2020 and around Rs.762 million each month from September 2020 till December 2020. K-Electric accordingly claimed these amounts in its instant tariff adjustments.

22. Upon inquiry, K-Electric explained that it has obtained stay order in the matter of GIDC from the Honorable Sindh High Court (SHC), in light of the Supreme Court of Pakistan decision dated 13.08.2020. K-Electric also submitted the following details in terms of GIDC billed by SSGC, amount already allowed in the tariff and paid to SSGC by K-Electric;

| K-Electric Limited GIDC Summary | | | |
|------------------------------------|-----------------------------|---|------------------------------------|
| Description | Billing by SSGC - Note 1 | Allowed to KE in Tariff variations - Note 2 | Balance to be allowed in tariff |
| | PKR Million | | |
| | a | b | c = a - b |
| Billed during Jan 12 to Sep 2014 | 7,275 | 5,320 | 1,955 |
| Billed in August 2020 | 1,557 | - | 1,557 |
| Billed in Sep 2020 | 1,557 | - | 1,557 |
| Total | 10,389 | 5,320 | 5,069 |
| Paid to SSGC | 5,469 | | |

23. From the above, the Authority observed that K-Electric has paid an amount of Rs.5,469 million to SSGC on account of GIDC, against the amount of Rs.5,320 million allowed in tariff. Thus, only an amount of Rs.149 million has been paid in excess by K-Electric to SSGC, over and above the amount allowed in the tariff. In view thereof and considering the fact that K-Electric has obtained stay order from the Honorable SHC in the matter, the Authority has decided not to allow any amount on account of GIDC till final decision by the Honorable SHC in the matter.

24. The generation reported by K-Electric in its adjustment requests have been checked from the plant wise generation statistics sheet; the units sent out have been worked out based on the



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Authority's allowed Auxiliaries. The units sent out so worked out are in agreement with the sent outs claimed by K-Electric in its adjustment requests.

25. Similarly, the monthly rates of Gas and RLNG used by K-Electric in its adjustment request, are same as approved by OGRA and charged by SSGCL to K-Electric, except for the month of August 2020, wherein K-Electric has used the previously approved RLNG rate of Rs.1122.49/mmbtu, as against the revised rate of Rs.1031.47/mmbtu approved by OGRA. The same has accordingly been adjusted resulting in reduction in Fuel cost by Rs.202 million for the month of August 2020. The rates of RFO claimed by K-Electric are comparable with the rates of PSO for the relevant period.

Power Purchase Price- Fuel Cost

26. While going through the data / information provided by K-Electric regarding fuel cost of energy purchased from external sources, the Authority's observations are as under;

27. Regarding KANUPP, the Authority observed that as per Clause 6, Billing and Payments, sub clause 6.01 of the PPA executed by K-Electric with KANUPP, for the energy supplied / purchased by KANUPP of KESC, as the case may be, bills shall be raised separately, but payment shall be made on net output basis. K-Electric, however, in its adjustment claims has included cost of energy purchased from KANUPP on gross basis i.e. without netting it off for the energy exported to KANUPP. The Authority, therefore, in line with clause 6.01 of the Agreement, has adjusted the energy as well as cost of KANUPP on net output basis.

28. The Authority observed that K-Electric while calculating the fuel cost of around Rs.4,634 million of Gul Ahmed Energy Ltd. (GAEL) for the period from June to December 2020, used reference CV of 38,826.1 BTUs/Kg. The Authority, however, noted that as per the decision dated 03.06.2020, in the matter of review motion filed by GAEL, it has been allowed reference LHV Calorific Value of 38,584.49 BTUs/Kg and revised LHV calorific value as per actual, subject to minimum of 17,333 BTUs/lb (38,212.74 BTUs/Kg). Based on the allowed CV as per the decision dated 03.06.2020, the total fuel cost of GAEL for the period from June to December 2020, works out as around Rs.4,605 million instead of Rs.4,634 million, claimed by K-Electric. Accordingly, difference of around Rs.29 million has been adjusted from the cost of GAEL limited.

29. The Authority vide its determination dated February 10, 2017 in the matter of tariff determination of STDC for 132 kV transmission line project, decided to cap the loss threshold for STDC at 1%. Subsequently, the Authority while deciding the Review Motion of STDC dated June 14, 2018, allowed a maximum of 1.5% transmission losses provisionally for the period of six months from COD. The CoD was achieved by the plants in January 2018, thus, maximum of 1.5% transmission losses to STDC was allowed only from January to June 2018. Afterwards, the Authority vide decision dated 09.01.2020, allowed a Transmission loss level with a cap of 2% to STDC, from the date of the decision i.e. 09.01.2020 onward. Accordingly, for the period from 09.01.2020 onward, including the



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current period under consideration, STDC losses with a cap of 2% have been considered while working out the instant tariff adjustments of K-Electric.

30. Here it is pertinent to mention that while working out the FCA of K-Electric, the impact of positive monthly FCAs not to be recovered from the life line consumers and negative monthly FCAs not to be passed on to life line consumers, domestic consumers up-to 300 units and agriculture consumers has been accounted for in the quarterly adjustments.

Issue # Whether K-electric has followed the merit order while giving dispatch to its power plants as well as power purchases from external sources?

31. Regarding technical issues, *inter alia*, following of Economic Merit Order & System Operating Procedures, underutilization, Generation capacity kept on standby mode by KE and heat rates & auxiliaries etc., the Authority has decided that these issues would be dealt separately.

32. In view of the aforementioned discussion and after incorporating the above adjustments, the Authority has decided to allow the following FCAs to be passed on to the consumers directly in their monthly bills for the period from June 2020 to December 2020;

| Description | | Unit | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 |
|-------------------------------|--------------------|---------|----------|--------|--------|--------|----------|----------|----------|
| Fuel Cost | Own Generation | Rs. Mln | 10,731 | 12,435 | 10,437 | 11,142 | 10,489 | 6,398 | 5,436 |
| | External Purchases | Rs. Mln | 4,461 | 4,827 | 4,402 | 5,218 | 4,654 | 2,799 | 4,336 |
| | Total | Rs. Mln | 15,191 | 17,262 | 14,839 | 16,360 | 15,144 | 9,197 | 9,772 |
| Total Units | Own Generation | GWh | 1,125 | 1,186 | 1,037 | 1,055 | 982 | 658 | 461 |
| | External Purchases | GWh | 800 | 817 | 773 | 847 | 785 | 568 | 612 |
| | Total | GWh | 1,925 | 2,003 | 1,810 | 1,902 | 1,766 | 1,226 | 1,074 |
| Fuel Cost Component (FCC) | Own Generation | Rs./kWh | 5.5748 | 6.2080 | 5.7672 | 5.8587 | 5.9384 | 5.2181 | 5.0630 |
| | External Purchases | Rs./kWh | 2.3173 | 2.4097 | 2.4327 | 2.7435 | 2.6350 | 2.2824 | 4.0379 |
| | Total | Rs./kWh | 7.8921 | 8.6177 | 8.1999 | 8.6022 | 8.5734 | 7.5005 | 9.1009 |
| Reference FCC | Own Generation | Rs./kWh | 5.6507 | 5.5748 | 5.5748 | 5.5748 | 5.8587 | 5.8587 | 5.8587 |
| | External Purchases | Rs./kWh | 2.9892 | 2.3173 | 2.3173 | 2.3173 | 2.7435 | 2.7435 | 2.7435 |
| | Total | Rs./kWh | 8.6399 | 7.8921 | 7.8921 | 7.8921 | 8.6022 | 8.6022 | 8.6022 |
| Fuel Charges Adjustment (FCA) | Own Generation | Rs./kWh | (0.0759) | 0.6332 | 0.1924 | 0.2839 | 0.0797 | (0.6406) | (0.7957) |
| | External Purchases | Rs./kWh | (0.6719) | 0.0924 | 0.1154 | 0.4262 | (0.1085) | (0.4611) | 1.2944 |
| | Total | Rs./kWh | (0.7478) | 0.7256 | 0.3078 | 0.7101 | (0.0288) | (1.1017) | 0.4987 |
| Variation in Fuel Cost | Own Generation | Rs. Mln | (146) | 1,268 | 348 | 540 | 141 | (786) | (854) |
| | External Purchases | Rs. Mln | (1,293) | 185 | 209 | 811 | (192) | (565) | 1,390 |
| | Total | Rs. Mln | (1,439) | 1,453 | 557 | 1,351 | (51) | (1,351) | 535 |

33. The Authority is also cognizant of the fact that the period for which FCAs are being allowed i.e. June 2020 to December 2020, has already lapsed and variations on account of fuel cost have not yet been recovered/ passed on to the consumers. The Authority believes that any such variations need to be passed on to the consumers in timely manner in order to ensure financial viability of the Company, which otherwise would result in piling up of the legitimate costs and may impact the



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financial viability of the Company. However, at the same, the Authority in the interest of the consumers, needs to ensure that consumers' are not overburdened by passing on the allowed costs in one go.

34. In view thereof, the Authority has decided to allow the recovery of the aforementioned FCAs from the consumers in a period of two months i.e. June 2021 and July 2021 as per the schedule given below;

| To be recovered in | FCA Pertaining to |
|--------------------|--|
| June-2021 | June 2020, July 2020, August 2020 and October 2020 |
| July-2021 | September 2020, November 2020 and December 2020 |

35. In view of the aforementioned, the Authority hereby directs K-Electric that in case of positive monthly FCAs, the same;

- a. Shall be applicable to all the consumer categories except lifeline consumers.
- b. Shall be shown separately in the consumers' bills on the basis of units billed to the consumers in the respective month to which the adjustment pertains.
- c. K-Electric shall reflect the fuel charges adjustment in respect of each month in the billing month as per the Schedule given above.
- d. While effecting the Fuel Adjustment Charges, K-Electric shall keep in view and strictly comply with the orders of the courts notwithstanding this order.

36. Similarly, in case of negative FCAs, the same;

- a. Shall be applicable to all the consumer categories except lifeline consumers, domestic consumers consuming up-to 300 units and Agriculture Consumers of K-Electric. It is hereby clarified that negative adjustment on account of monthly FCA is also applicable to the domestic consumers having Time of Use (ToU) meters irrespective of their consumption level.
- b. The Authority in its decision dated 01.12.2020, in the matter of request of the Ministry of Energy (Power Division) for incorporation of support package for additional consumption and abolishment of Time of Use tariff scheme for industrial consumers of K-Electric, decided that;
 - Positive monthly FCA would be applicable to B1, B2, B3, B4 and B5 industrial consumers on the incremental sales till continuation of the instant package, however, negative FCA would not be allowed. The amount so retained by K-Electric, if any, would be adjusted in the subsequent quarterly adjustments of K-Electric.



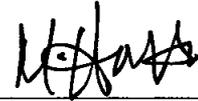
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- c. Shall be shown separately in the consumers' bills on the basis of units billed to the consumers in the respective month to which the adjustment pertains.
- d. K-Electric shall reflect the fuel charges adjustment in respect of each month in the billing month as per the Schedule given above.
- e. While effecting the Fuel Adjustment Charges, K-Electric shall keep in view and strictly comply with the orders of the courts notwithstanding this order.

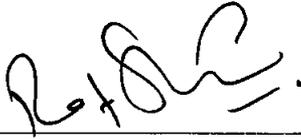
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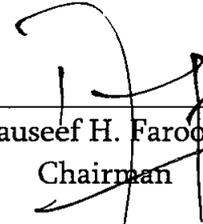
Rehmatullah Baloch
Member



Engr. Maqsood Anwar Khan
Member



Rafique Ahmed Shaikh
Member



Tauseef H. Farooqi
Chairman




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**To Be Published in
Official Gazette of Pakistan Part-II**

National Electric Power Regulatory Authority



NOTIFICATION

Islamabad, the 4th day of June 2021

S.R.O. **707 (I)/2021**.- Pursuant to Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 as amended through Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act 2011 and as per the mechanism for monthly, quarterly and annual adjustments provided in the Tariff Determination of K-Electric Ltd. dated July 05, 2018 duly notified in the official Gazette vide SRO No. 576(I)/2019 dated May 22, 2019, National Electric Power Regulatory Authority (NEPRA) makes and notifies the following adjustments in the approved tariff on account of variation in fuel charges for the period June to December 2020 in respect of K-Electric Limited:

| FCA to be calculated on the basis of billing for the Month of | Rs./kWh | Charged in Consumer Bills to be issued in the Month of |
|---|----------|--|
| June 2020 | (0.7478) | June 2021 |
| July 2020 | 0.7256 | June 2021 |
| August 2020 | 0.3078 | June 2021 |
| September 2020 | 0.7101 | July 2021 |
| October 2020 | (0.0288) | June 2021 |
| November 2020 | (1.1017) | July 2021 |
| December 2020 | 0.4987 | July 2021 |

2. In case of positive monthly FCAs, the same:
- Shall be applicable to all the consumer categories except lifeline consumers.
 - Shall be shown separately in the consumers' bills on the basis of units billed to the consumers in the respective month to which the adjustment pertains.
 - K-Electric shall reflect the fuel charges adjustment in respect of each month in the billing month as per the Schedule given above.

3. Similarly, in case of negative FCAs, the same:

- a) Shall be applicable to all the consumer categories except lifeline consumers, domestic consumers consuming up-to 300 units and Agriculture Consumers of K-Electric. It is hereby clarified that negative adjustment on account of monthly FCA is also applicable to the domestic consumers having Time of Use (ToU) meters irrespective of their consumption level.
- b) The Authority in its decision dated 01.12.2020, in the matter of request of the Ministry of Energy (Power Division) for incorporation of Support Package for additional consumption and abolishment of Time of Use Tariff Scheme for Industrial Consumers of K-Electric, decided that:
 - Positive monthly FCA would be applicable to B1, B2, B3, B4 and B5 industrial consumers on the incremental sales till continuation of the instant package, however, negative FCA would not be allowed. The amount so retained by K-Electric, if any, would be adjusted in the subsequent quarterly adjustments of K-Electric.
- c) Shall be shown separately in the consumers' bills on the basis of units billed to the consumers in the respective month to which the adjustment pertains.
- d) K-Electric Ltd. shall reflect the fuel charges adjustment in respect of each month in the billing month as per the Schedule given above.

4. While effecting the Fuel Adjustment Charges, K-Electric Ltd. shall keep in view and strictly comply with the orders of the courts notwithstanding this order.







(Syed Safer Hussain) 040621
Registrar