



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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July 14, 2023

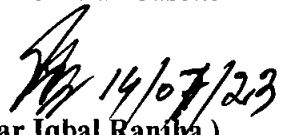
Subject: DECISION OF THE AUTHORITY IN THE MATTER OF SETTING UP OF  
POWER PURCHASE PRICE (PPP) REFERENCES FOR THE FY 2023-24

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority (14 Pages) in the matter of setting up of Power Purchase Price (PPP) references for the FY 2023-24.

2. The Decision is being intimated to the Federal Government for the purpose of notification in the official Gazette pursuant to Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 within 30 days from the intimation of this Decision. In the event the Federal Government fails to notify the subject tariff Decision or refer the matter to the Authority for reconsideration, within the time period specified in Section 31(7), then the Authority shall notify the same in the official Gazette pursuant to Section 31(7) of NEPRA Act.

Enclosure: As above

  
( Engr. Mazhar Iqbal Ranjha )

Secretary  
Ministry of Energy (Power Division)  
'A' Block, Pak Secretariat  
Islamabad

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Chief Executive Officer, NTDC, 414 WAPDA House, Shaharah-e-Quaid-e-Azam, Lahore
4. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad.

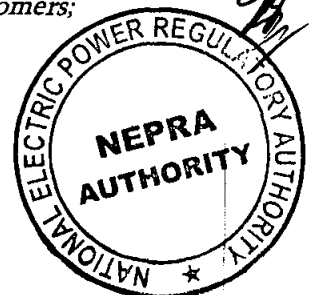


**DECISION OF THE AUTHORITY IN THE MATTER OF SETTING UP OF POWER  
PURCHASE PRICE (PPP) REFERENCES FOR THE FY ~~2024-25~~ 2023-24**

1. Pursuant to the applicable legal and regulatory framework, the tariff of each component of the value chain of the sector i.e. generation, transmission, Market operation, distribution and supply is determined through regulatory proceedings. The tariff so determined for all these functions constitutes the overall revenue requirement of the power sector, and is recovered through consumer end tariff of Suppliers of Last Resort (SoLR).
2. The revenue requirement of SoLRs and consequently their consumer end tariff, broadly consists of the following heads;
  - a. Projected Power Purchase Price (PPP);
  - b. Distribution and Supply Margin;
  - c. Prior Period Adjustments, if any;
3. It is pertinent to mention here that the major portion of the total revenue requirement and thus the end-consumer tariff, comprises of the Power Purchase Price, which sweeps over 90% of the total revenue requirement of the sector. The PPP is a pass-through item and consists of the following components:
  - ✓ **Generation cost**
    - Fuel Charges,
    - Variable O&M and
  - ✓ **Capacity charge**
  - ✓ **Transmission Costs i.e. Use of System Charges of NTDC and PMLTC**
  - ✓ **Market Operator Fees i.e. CPPA-G Cost**
4. The Authority by adopting a forward looking approach, determines PPP references each year, keeping in view the ground realities. These references remain applicable unless new such references are notified. The Authority determined PPP references for the FY 2022-23, which were notified by the Federal Government w.e.f. 25.07.2022. Although, variations in actual PPP vis a vis the projected references are actualized during the year through monthly fuel charges adjustment and quarterly adjustments as provided in NEPRA Act and notified tariff determinations of SoLRs, however, such references require regular up-dation / revision, to account for the impact of new capacity additions e.g. Coal, Nuclear, Hydel etc., devaluation of PKR vs US\$, change in fuel prices, variation in interest rates and CPI indexations. The purpose of revision in PPP references is to minimize the impact of future monthly fuel charges adjustments & quarterly variations and to provide a more predictable tariff for the consumers as envisaged in Section 31 (3) (i) of NEPRA Act which states that;

*31 (3) (i) tariffs should seek to provide stability and predictability for customers;*

*Dr. Malik*

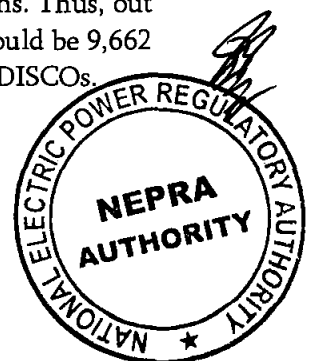




5. Here it is pertinent to mention that the NEPRA Guidelines for determination of consumer end tariff (Methodology and Process) notified vide SRO dated 16.01.2015, prescribes submission of Procurement Plan by CPPA-G and approval of Power Purchase Cost by the Authority. However, CPPA-G did not submit any updated report in this regard as the last such forecast was submitted by CPPA-G for the FY 2021-22.
6. The Authority is cognizant of the fact that major component of the consumer-end tariff is the Power Purchase Price, which accounts for over 90% of total consumer-end tariff. Therefore, projection of PPP is of utmost importance, as all future monthly fuel charges adjustments as well as quarterly adjustments are worked out based on the projected notified PPP references.
7. In view thereof, the Authority by adopting a forward looking approach, has projected the revised PPP references keeping in view the ground realities and economic factors for the FY 2023-24. For the purpose of determining the new PPP references, the Authority has made projections of PPP references for the FY 2023-24 by first projecting the total amount of generation that would be required and then estimating the plant wise generation along-with fuel prices and other assumptions etc., as discussed in detail in the ensuing paras.
8. The Authority observed that as per IGCEP approved vide decision dated 01.02.2023, the total generation for long-term energy and demand forecast under normal growth scenario for the Country including K-Electric for the FY 2023-24 has been projected as 164,394 GWh, with peak demand of 29,054 MW. Here it is pertinent to mention that out of total projected energy of 164,394 GWh, KEs own generation has been considered as 15,085 GWh in the IGCEP, thus, generation of National Grid (NG) would be 149,318 GWh.
9. The Authority observed that Projected Generation from NG as per the IGCEP for the FY 2023-24 is around 4.7% higher as compared to the projected generation of IGCEP for the FY 2022-23. However, the actual/ provisional generation for the FY 2022-23 (*actual till May 2023 & provisional for June 2023*) remained around 9% lower as compared to the projected generation for the FY 2022-23. In view thereof, the Authority in order to project a realistic generation for the FY 2023-24, decided to incorporate the increase of around 7% on the actual/ provisional generation for the FY 2022-23 i.e. 129,554 GWhs. Accordingly, the projected generation for the FY 2023-24 has been worked out as 138,759 GWhs. After accounting for the allowed limit of T&T losses for both NTDC (2.63%) & PMLTC (4.3%) i.e. 4,236 GWhs, net energy available for XWDISCOs & KE would be around 134,523 GWhs. For the projected generation, plant wise and month wise generation has been obtained by running PLEXOS through CPPA-G.
10. Here it is pertinent to mention as per the approved IGCEP, 1,100 MW export has been considered to K-Electric from NG. Thus, K-Electric would continuously be drawing 1,100 MW from NG for the FY 2023-24. The same in terms of GWhs, after accounting for the allowed level of NTDC and HVDC losses works out as 9,662 GWhs. Thus, out of total net projected generation of 134,523 GWhs, share of K-Electric would be 9,662 GWhs and the remaining generation of 124,860 GWhs would be for XWDISCOs.

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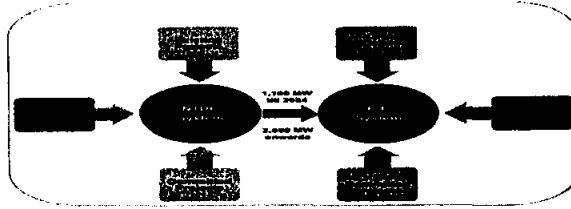


Figure 1-2: IGCEP System (NTDC + K-Electric)

11. The aforementioned projected generation has been allocated to each of the XWDISCO in proportion as per the IGCEP for the period from July 2023 to June 2024, while for K-Electric, units purchased have been considered at 1100 MW flat for each month of the FY 2023-24. Accordingly, DISCO wise allocation of projected Energy and MDI for the FY 2023-24 is as under;

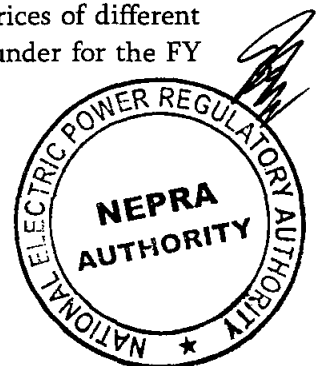
Projected Energy - GWh													
	July	August	September	October	November	December	January	February	March	April	May	June	Total
IESCO	1,518	1,386	1,314	1,052	893	860	813	824	796	865	1,158	1,401	12,880
LESCO	2,895	2,916	2,638	2,139	1,432	1,437	1,455	1,457	1,693	2,045	2,583	2,826	25,518
GEPSCO	1,507	1,525	1,395	1,062	719	708	701	680	821	966	1,312	1,488	12,885
FESCO	2,037	2,108	1,901	1,265	991	928	913	861	973	1,297	1,777	1,913	16,965
MEPCO	2,797	2,849	2,616	1,683	1,220	1,103	1,097	1,003	1,163	1,628	2,261	2,549	21,969
PESCO	1,719	1,664	1,526	1,045	1,055	1,148	1,195	1,116	1,002	1,039	1,291	1,563	15,362
HESCO	691	618	616	514	395	315	292	300	345	491	625	718	5,921
QESCO	625	612	603	550	544	523	496	481	463	494	628	641	6,659
SEPCO	563	523	512	368	265	226	212	196	205	309	383	471	4,232
TESCO	210	205	212	201	202	206	197	209	198	182	227	220	2,470
K-Electric	818	818	792	818	792	818	818	766	818	792	818	792	9,662
<b>Total</b>	<b>15,381</b>	<b>15,225</b>	<b>14,126</b>	<b>10,698</b>	<b>8,508</b>	<b>8,273</b>	<b>8,190</b>	<b>7,892</b>	<b>8,477</b>	<b>10,109</b>	<b>13,062</b>	<b>14,582</b>	<b>134,523</b>

Projected MDI - MW													
	July	August	September	October	November	December	January	February	March	April	May	June	Total
IESCO	2,719	2,667	2,458	2,382	2,228	1,831	1,939	1,956	1,361	1,965	2,516	2,871	2,871
LESCO	5,937	5,975	5,946	5,532	3,599	4,279	4,212	4,439	4,729	5,176	5,938	5,909	5,909
GEPSCO	3,542	3,419	3,331	3,033	2,339	2,333	2,232	2,138	2,567	2,603	2,749	2,614	2,614
FESCO	4,451	4,422	4,138	3,375	3,323	3,024	2,567	3,064	2,950	3,114	3,736	4,030	4,030
MEPCO	6,784	6,308	5,844	4,109	3,772	3,936	3,775	3,551	4,062	3,915	4,852	5,518	5,518
PESCO	3,542	3,375	3,243	2,396	2,634	2,784	3,172	3,138	2,471	2,899	2,975	3,255	3,255
HESCO	1,917	1,905	1,761	1,884	1,448	1,419	1,499	1,385	1,307	1,509	1,533	1,763	1,763
QESCO	1,555	1,885	1,690	1,308	1,401	1,306	1,416	1,678	1,300	1,021	1,240	1,507	1,507
SEPCO	1,291	1,308	1,142	964	719	529	858	698	674	757	777	896	896
TESCO	802	784	873	812	786	812	908	1,220	1,087	630	815	790	790
K-Electric	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
<b>Total</b>	<b>33,640</b>	<b>33,148</b>	<b>31,526</b>	<b>26,895</b>	<b>23,348</b>	<b>23,353</b>	<b>23,678</b>	<b>24,366</b>	<b>23,608</b>	<b>24,689</b>	<b>28,232</b>	<b>30,253</b>	<b>30,253</b>

12. Since the power generated from different sources is procured by the Central Power Purchasing Agency (CPPA-G) on behalf of XWDISCOs as per the rates so determined by the Authority and subsequently reflected in the respective Power Purchase Agreements (PPAs). The overall power purchase cost constitutes a pool price which is transferred to the DISCOs according to the prescribed mechanism and notified by the Federal Government in the Official Gazette. The Power Purchase Price so projected, in turn formulates the reference values for the monthly fuel adjustments & quarterly PPP adjustment with respect to T&D losses, Variable O&M, Capacity and Transmission Charges.
13. From all the available sources of generation of electricity, i.e. Hydel, RLNG/ Gas, Nuclear, Local and imported Coal, Solar, Wind, and Bagasse etc., a total of 138,759 GWh power is expected to be generated during the FY 2023-24. Here it is also important to mention that while projecting generation, the plants have been projected to be operated as per Merit order, keeping in view the projected prices of different fuels. The average prices for different fuels have been assumed as under for the FY 2023-24;

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Source	Rs./mmbtu			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
RLNG	3,530	3,411	3,569	3,705
Imported Coal	1,923	1,949	1,968	1,964
Local Coal	1,227	1,223	1,216	1,216

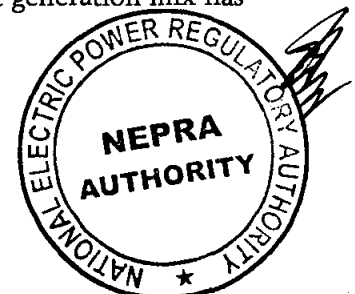
14. All prices have been considered exclusive of GST. Assumptions and criteria for projection of fuel prices for each of the fuel has been discussed in detail in the ensuing paragraphs.
15. Accordingly, the estimated/projected source-wise generation and estimated cost of electricity generation from each source is given in the following table;

Sources	Generation	
	GWh	Mix %
Hydel	41,226	29.7%
Imported Coal	16,552	11.9%
Local Coal	22,696	16.4%
HSD	-	0.0%
FO	2,630	1.9%
Gas	14,312	10.3%
RLNG	6,639	4.8%
Nuclear	25,566	18.4%
Mixed-Captives	161	0.1%
Import from Iran	66	0.0%
Wind Power	5,212	3.8%
Bagasse	1,136	0.8%
Solar	2,563	1.8%
<b>Grand Total</b>	<b>138,759</b>	<b>100.0%</b>

Sources	Energy Purchase Price						Capacity Charges		Power Purchase Price	
	Fuel Cost		V.O&M		Fuel + V.O&M		Rs. Mln	Rs./kWh	EPP+CPP	
	Rs. Mln	Rs./kWh	Rs. Mln	Rs./kWh	Rs. Mln	Rs./kWh			Rs. Mln	Rs./kWh
Hydel	-	-	3,896	0.09	3,896	0.09	282,175	6.84	286,071	6.94
Imported Coal	276,658	16.71	7,723	0.47	284,381	17.18	386,715	23.36	671,096	40.54
Local Coal	223,374	9.84	16,028	0.71	239,402	10.55	304,519	13.42	543,921	23.97
FO	60,699	23.08	1,742	0.66	62,441	23.74	65,278	24.82	127,719	48.56
Gas	116,054	8.11	6,584	0.46	122,638	8.57	63,693	4.45	186,332	13.02
RLNG	150,240	22.63	6,170	0.93	156,410	23.56	184,954	27.86	341,364	51.42
Nuclear	26,632	1.04	-	-	26,632	1.04	443,291	17.34	469,922	18.38
Import from Iran	1,627	24.73	-	-	1,627	24.73	-	-	1,627	24.73
Wind Power	-	-	-	-	-	-	175,336	33.64	175,336	33.64
Bagasse	6,795	5.98	84	0.07	6,879	6.06	9,963	8.77	16,842	14.83
Solar	-	-	-	-	-	-	38,564	15.04	38,564	15.04
<b>Grand Total</b>	<b>862,079</b>	<b>6.21</b>	<b>42,227</b>	<b>0.30</b>	<b>904,306</b>	<b>6.52</b>	<b>1,954,488</b>	<b>14.09</b>	<b>2,858,794</b>	<b>20.60</b>
UoS NTDC/ PMLTC							157,862		157,862	
Total for DISCOs	862,079		42,227		904,306		2,112,350		3,016,656	
Cost allocation for KE	60,824		3,020		63,844		86,653		150,497	
<b>Total for XWDISCOs</b>	<b>801,255</b>	<b>6.42</b>	<b>39,206</b>	<b>0.31</b>	<b>840,462</b>	<b>6.73</b>	<b>2,025,697</b>	<b>16.22</b>	<b>2,866,159</b>	<b>22.95</b>

16. Here it is pertinent to mention that the aforementioned energy charge includes variable O&M charges, however, variable O&M charges are not made part of monthly fuel charges adjustment and are adjusted as part of quarterly adjustments.
17. As per the above table, around 30% of total generation is expected from Hydel, 17% from local coal, 12% from imported coal, 18% from nuclear, 10% from local gas, 5% from RLNG, 2% from FO and remaining around 6% would be contributed from renewables i.e. Wind, Solar & Bagasse. The Authority noted that generation mix has

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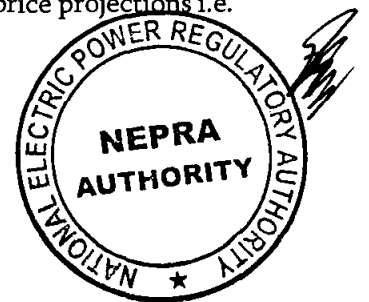




- shown considerable improvement with around 63% generation being forecasted from indigenous resources plus around 18% from low fuel cost nuclear sources.
18. Regarding projection of fuel prices i.e. RLNG, Local & Imported Coal, Local Gas etc., various reports from different sources as given hereunder have been analyzed;
- ✓ World Bank's Commodities Price Forecast
  - ✓ IMF - World Economic Outlook Database
  - ✓ US Energy Information Administration- Short-Term Energy Outlook Apr.23
  - ✓ Bloomberg (various analyst firms forecast)
  - ✓ globalCOAL
  - ✓ Economy Forecast Agency (EFA)
  - ✓ International Energy Agency
  - ✓ Thar Coal Energy Board
19. Based on the information available in the aforementioned reports, the Authority has projected the following fuel prices in terms of RLNG, Local & Imported Coal, and Gas, for the purpose of Power Purchase Price;
20. The Authority noted that as per the RLNG price notification issued by OGRA, RLNG prices in Pakistan are benchmarked with Brent Crude Oil Prices and are determined as a slope (%) of price of crude oil. In addition to this price, Port charges, PSO import related actual costs, PSO/PLL Margin and Terminal Charges etc. are added to the price. The said prices are also adjusted with the Transmission Losses and other miscellaneous costs. Thus, the RLNG prices in Pakistan are not only affected by the international prices, being linked with crude oil, but also by the exchange rate parity.
21. Therefore, to have a fair projection of RLNG prices, the Authority considered the projections of Brent Crude oil prices by various reliable sources i.e. Short Term Energy Outlook published by US Energy Information Administration, World Bank Commodities Price Forecast report, IMF-World Economic Outlook Database and various analyst firm forecasts etc.
22. The 2<sup>nd</sup> factor for determination of price of RLNG is the slope that is applied on the price of Crude oil. To have a fair assessment of the applicable slope, the actual slope on which RLNG has been procured by PSO and PLL including spot purchases, during the last 12 months period has been analyzed. Accordingly, by applying the % slope on the projected prices of Crude Oil, the Delivered Ex-Ship (DES) prices of RLNG have been worked out. Here it is pertinent to mention that beside slope, certain additional charges like PSO/PLL Margin, other import related costs, terminal charges etc. are also applicable on CIF price of RLNG. Accordingly, the Authority keeping in view the projected prices of crude oil, % slope, and impact of rupee devaluation, has projected average RLNG prices as Rs.3,554/mmbtu for the FY 2023-24, ranging from Rs.3,411/mmbtu to Rs.3,705/mmbtu.
23. For indigenous gas, the Authority considering the existing price of Rs.1050/mmbtu, has projected the same as Rs.1,103/mmbtu for the power purchase price projections i.e. 5% increase on the current prevailing price.

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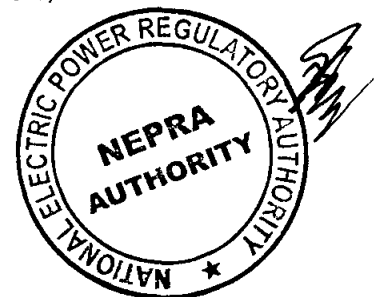
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24. For the price of RFO, the Authority has assessed an average price of Rs.109,947/ MT for the FY 2023-24, keeping in view the prevailing prices of RFO.
25. Regarding price of imported coal, the Authority observed that majority of coal used by coal power plants operating in Pakistan, is imported from South Africa and to some extent from Indonesia, therefore, for the purpose of projection of coal prices, the price forecasts given by World Bank Commodities Price Forecast, globalCOAL etc. have been considered. Accordingly, based on these reports and keeping in view the impact of devaluation of Pak Rupee, and by incorporating therein the Marine Insurance, Handling Loss, Other Charges (Port Handling Charges, Customs Duties & Cess, L/C Charges), Inland Freight etc., the price for imported coal works out as average Rs.1,951/mmbtu for the FY 2023-24, ranging from Rs.1,923/ mmbtu to Rs.1,968/ mmbtu.
26. For projection of local coal prices for Thar coal, the Authority has considered the coal price determination made by Thar Coal Energy Board (TCEB). As per the determination by TCEB, variable cost of US\$ 14.45 /Ton and fixed cost of US\$ 29.87/Ton has been determined. In addition \$ 1.45/ton is also included for transportation from Mine to Power plant. The said cost determined by TCEB is to be indexed with US\$ /PKR exchange rate to work out the projected coal price for the FY 2023-24, which on average works out as Rs.1,220/mmbtu. The same has been considered while projecting the PPP references for the FY 2023-24.
27. The Authority understands that Pakistan's power sector costs are generally tied with dollar indexation, and any change in exchange rate parity directly impacts the Energy and Capacity charges of generation segment, which constitute over 90% of total cost of Power sector of Pakistan. With devaluation of PKR against U.S. dollar, cost in local currency increases, potentially leading to higher electricity prices for consumers. Therefore, accurate assessment of PKR/ USD, is one of the most crucial element of power purchase price forecast. This assessment, inter alia, involves analysis of economic conditions, inflation rates, foreign exchange reserves, and government policies etc. It is also a fact that flexible exchange rate system is in place whereby PKR value against U.S. dollar and other currencies would be determined by market forces based on supply and demand dynamics, including economic fundamentals, interest rates, inflation, and capital flows rather than being fixed or heavily regulated by the government. Similarly, historical trend of exchange rate parity is also considered for future projections. Further, exchange rate parity projections by various agencies both local and international is also taken into account. Considering the aforementioned determinants, the Authority has considered an average 286 PKR / USD for the FY 2023-24.
28. Based on the above discussion, the source wise estimated/projected generation and the estimated cost of electricity generation is given in the following table;

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Decision of the Authority in the matter of setting up of PPP references for the FY 2023-24

Sources	Generation GWh	Energy Purchase Price						Capacity Charges		Power Purchase Price EPP+CPP	
		Fuel Cost		V.O&M		Fuel + V.O&M		Rs. Mln	Rs./kWh	Rs. Mln	Rs./kWh
		Rs. Mln	Rs./kWh	Rs. Mln	Rs./kWh	Rs. Mln	Rs./kWh				
Hydel	41,226	-	-	3,896	0.09	3,896	0.09	282,175	6.84	286,071	6.94
Imported Coal	16,552	276,658	16.71	7,723	0.47	284,381	17.18	386,715	23.36	671,096	40.54
Local Coal	22,696	223,374	9.84	16,028	0.71	239,402	10.55	304,519	13.42	543,921	23.97
FO	2,630	60,699	23.08	1,742	0.66	62,441	23.74	65,278	24.82	127,719	48.56
Gas	14,312	116,054	8.11	6,584	0.46	122,638	8.57	63,693	4.45	186,332	13.02
RLNG	6,639	150,240	22.63	6,170	0.93	156,410	23.56	184,954	27.86	341,364	51.42
Nuclear	25,566	26,632	1.04	-	-	26,632	1.04	443,291	17.34	469,922	18.38
Import from Iran	66	1,627	24.73	-	-	1,627	24.73	-	-	1,627	24.73
Wind Power	5,212	-	-	-	-	-	-	175,336	33.64	175,336	33.64
Bagasse	1,136	6,795	5.98	84	0.07	6,879	6.06	9,963	8.77	16,842	14.83
Solar	2,563	-	-	-	-	-	-	38,564	15.04	38,564	15.04
<b>Grand Total</b>	<b>138,759</b>	<b>862,079</b>	<b>6.21</b>	<b>42,227</b>	<b>0.30</b>	<b>904,306</b>	<b>6.52</b>	<b>1,954,488</b>	<b>14.09</b>	<b>2,858,794</b>	<b>20.60</b>
UoS of NTDC/ PMLTC & Losses	(4,236)	-	-	-	-	-	-	157,862	-	157,862	-
Total for DISCOs	134,523	862,079	-	42,227	-	904,306	-	2,112,350	-	3,016,656	-
Cost allocation for KE	9,662	60,824	-	3,020	-	63,844	-	86,653	-	150,497	-
<b>Total for XWDISCOs</b>	<b>124,860</b>	<b>801,255</b>	<b>6.42</b>	<b>39,206</b>	<b>0.31</b>	<b>840,462</b>	<b>6.73</b>	<b>2,025,697</b>	<b>16.22</b>	<b>2,866,159</b>	<b>22.95</b>

29. The generation cost is transferred to the DISCOs as per the prescribed mechanism.
30. As per the above table, the total Power Purchase Price of XWDISCOs for the FY 2023-24, (after excluding the share of KE), works out as Rs.2,866,159 million, which includes Rs.840,462 million for fuel & variable O&M cost and Rs.2,025,697 million as capacity charges including UoS of NTDC & PMLTC and MoF of CPPA-G. The capacity charges translate into Rs.6,460.81/kW/month based on projected average monthly MDI of 26,128 MW. Thus, the capacity charges works out as around 71% of the total projected PPP of XWDISCOs, whereas energy cost is around 29% of the total projected PPP. In terms of average per unit PPP of XWDISCOs on unit purchased basis i.e. before adjustment of allowed T&D losses of XWDISCOs, capacity charges works out as Rs.16.22/kWh, whereas energy charges are Rs.6.73/kWh, totaling to Rs.22.95/kWh for the FY 2023-24. The national average power purchase price works out as 22.42/kWh.
31. In view of the above discussion, DISCOs wise projected PPP for FY 2023-24 is as under;

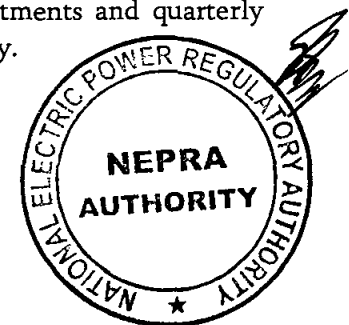
	Power Purchase Price - Rs. Millions											
	July	August	September	October	November	December	January	February	March	April	May	June
IESCO	25,269	23,896	23,532	23,969	20,989	18,390	19,795	17,017	14,841	20,193	23,945	28,530
LESCO	52,150	52,220	52,924	53,152	33,860	39,732	40,565	36,703	44,317	51,825	55,606	58,284
GEPSCO	29,522	28,888	29,035	28,222	20,919	21,229	20,943	17,574	23,399	25,697	26,438	27,559
FESCO	38,137	38,308	37,306	32,095	29,566	27,585	24,922	24,661	27,087	31,562	35,893	39,643
MEPSCO	55,902	53,537	52,185	40,262	34,049	35,299	34,731	28,597	36,097	39,670	46,341	53,763
PESCO	31,047	29,618	29,507	24,007	24,816	27,065	31,314	26,344	23,947	28,408	27,835	32,152
HESCO	15,079	14,488	14,450	16,321	12,701	12,262	12,669	10,729	11,419	14,494	14,106	16,457
QESCO	12,697	14,336	13,959	12,933	13,111	12,601	13,691	13,549	12,162	10,751	12,145	14,272
SEPCO	10,855	10,631	10,203	9,222	6,655	5,187	7,610	5,614	6,069	7,637	7,544	9,152
TESCO	5,738	5,620	6,477	6,867	6,828	7,162	7,836	9,195	8,894	5,920	6,861	6,614
K-Electric	11,693	11,572	12,036	13,827	12,158	12,768	14,016	10,983	13,177	13,090	12,344	12,833
<b>Total</b>	<b>288,087</b>	<b>283,115</b>	<b>281,613</b>	<b>260,876</b>	<b>215,652</b>	<b>219,279</b>	<b>228,091</b>	<b>200,968</b>	<b>221,409</b>	<b>249,247</b>	<b>269,059</b>	<b>299,259</b>

	Fixed Cost												Rs./kW/M
	July	August	September	October	November	December	January	February	March	April	May	June	
14,328	14,261	13,821	15,251	16,429	13,499	13,444	13,174	9,465	15,166	16,982	18,080	6,466	
31,285	31,948	33,433	35,418	26,547	31,553	29,201	29,906	32,876	39,944	40,074	37,211	6,476	
18,664	18,283	18,728	19,417	17,250	17,201	15,470	14,399	17,851	20,085	18,551	16,460	6,455	
23,456	23,648	23,264	21,612	24,507	22,302	17,793	20,641	20,512	24,026	25,210	25,380	6,455	
35,746	33,731	32,861	26,312	27,817	29,021	26,166	23,918	28,241	30,214	32,745	34,752	6,407	
18,663	18,048	18,232	15,344	19,429	20,531	21,986	21,136	17,178	22,369	20,075	20,499	6,507	
10,099	10,188	9,900	12,061	10,683	10,467	10,390	9,328	9,087	11,641	10,348	11,105	6,482	
8,195	10,081	9,503	8,378	10,330	9,628	9,815	11,303	9,036	7,881	8,370	9,491	6,472	
6,801	6,993	6,419	6,171	5,304	3,902	5,951	4,700	4,683	5,843	5,243	5,641	6,375	
4,224	4,193	4,911	5,198	5,796	5,989	6,295	8,221	7,558	4,860	5,497	4,973	6,562	
5,796	5,882	6,185	7,043	8,113	8,111	7,625	7,410	7,648	8,488	7,423	6,927	6,565	
<b>177,256</b>	<b>177,256</b>	<b>177,256</b>	<b>172,205</b>	<b>172,205</b>	<b>172,205</b>	<b>164,137</b>	<b>164,137</b>	<b>164,137</b>	<b>190,518</b>	<b>190,518</b>	<b>190,518</b>		

32. The XWDISCO wise PPP forecast for FY 2023-24 is attached herewith as Annex-I. The adjustment mechanism for the monthly fuel price adjustments and quarterly adjustments are attached as Annex-II and Annex-III respectively.

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33. The instant decision of the Authority along-with Annex-I, II & III attached with the decision, is hereby intimated to the Federal Government for filling of uniform tariff application in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997. The instant decision of the Authority along-with Annex-I, II & III attached with the decision be also notified in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, while notifying the uniform tariff application decision of the Authority.

**AUTHORITY**

*Mathar Niaz Rana*

Mathar Niaz Rana (nsc)  
Member

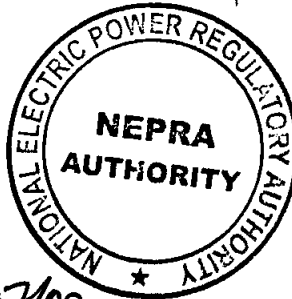
Rafique Ahmed Shaikh  
Member

*Amina Ahmed*

Ms. Amina Ahmed  
Member

Engr. Maqsood Anwar Khan  
Member

*Tauseef H. Farooqi*  
Tauseef H. Farooqi  
Chairman



*Handwritten signature and date: 14/07/23*

## IESCO

Annex - I

Description	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Purchased by DISCOs (GWh)	1,518	1,386	1,314	1,052	893	860	813	824	796	865	1,158	1,401	12,880

Rs./kWh

Fuel Cost Component	6.8935	6.6457	7.0711	7.8938	4.7831	5.4031	7.4894	4.4337	6.4417	5.4918	5.7090	7.1403	6.3995
Variable O&M	0.3123	0.3073	0.3166	0.3949	0.3237	0.2866	0.3193	0.2330	0.3145	0.3178	0.3037	0.3169	0.3136
Capacity	8.7359	9.5281	9.7344	13.3925	16.9949	14.5056	15.2034	14.7145	10.9427	16.3192	13.6503	12.0104	12.4954
UoS	0.7003	0.7638	0.7804	1.1077	1.4057	1.1998	1.3247	1.2821	0.9534	1.2104	1.0124	0.8908	1.0061
Total PPP in Rs./kWh	16.6421	17.2450	17.9025	22.7889	23.5074	21.3950	24.3369	20.6633	18.6524	23.3392	20.6754	20.3584	20.2147

Rs. in million

Fuel Cost Component	10,467	9,209	9,295	8,303	4,271	4,644	6,092	3,651	5,125	4,751	6,612	10,006	82,426
Variable O&M	474	426	416	415	289	246	260	192	250	275	352	444	4,040
Capacity	13,265	13,203	12,795	14,086	15,174	12,468	12,366	12,118	8,707	14,119	15,809	16,831	160,942
UoS	1,063	1,058	1,026	1,165	1,255	1,031	1,077	1,056	759	1,047	1,173	1,248	12,959
Total PPP in Rs.Mln	25,269	23,896	23,532	23,969	20,989	18,390	19,795	17,017	14,841	20,193	23,945	28,530	260,367

It is clarified that PPP is pass through for all the DISCOs and its monthly references would continue to exist irrespective of the financial year, unless the new SOT is revised and notified by the GoP

## LESCO

Annex - I

Description	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Purchased by DISCOs (GWh)	2,895	2,916	2,638	2,139	1,432	1,437	1,455	1,457	1,693	2,045	2,583	2,826	25,518

Rs./kWh

Fuel Cost Component	6.8935	6.6457	7.0711	7.8938	4.7831	5.4031	7.4894	4.4337	6.4417	5.4918	5.7090	7.1403	6.4237
Variable O&M	0.3123	0.3073	0.3166	0.3949	0.3237	0.2866	0.3193	0.2330	0.3145	0.3178	0.3037	0.3169	0.3144
Capacity	10.0029	10.1444	11.7316	15.2900	17.1210	20.2731	18.4578	18.8867	17.8594	18.1821	14.4414	12.2586	14.4843
UoS	0.8019	0.8132	0.9405	1.2646	1.4161	1.6768	1.6082	1.6456	1.5561	1.3486	1.0711	0.9092	1.1672
Total PPP in Rs./kWh	18.0106	17.9106	20.0598	24.8433	23.6440	27.6397	27.8748	25.1990	26.1717	25.3402	21.5253	20.6250	22.3897

Rs. in million

Fuel Cost Component	19,960	19,376	18,656	16,889	6,850	7,767	10,899	6,458	10,908	11,232	14,748	20,178	163,919
Variable O&M	904	896	835	845	464	412	465	339	533	650	785	896	8,023
Capacity	28,963	29,577	30,951	32,712	24,519	29,143	26,861	27,509	30,242	37,185	37,307	34,641	369,610
UoS	2,322	2,371	2,481	2,706	2,028	2,410	2,340	2,397	2,635	2,758	2,767	2,569	29,785
Total PPP in Rs.Mln	52,150	52,220	52,924	53,152	33,860	39,732	40,565	36,703	44,317	51,825	55,606	58,284	571,337

It is clarified that PPP is pass through for all the DISCOs and its monthly references would continue to exist irrespective of the financial year, unless the new SOT is revised and notified by the GoP

## GEPCO

Annex - I

Description	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Purchased by DISCOs (GWh)	1,507	1,525	1,395	1,062	719	708	701	680	821	966	1,312	1,488	12,885

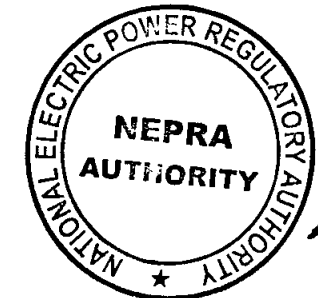
Rs./kWh

Fuel Cost Component	6.8935	6.6457	7.0711	7.8938	4.7831	5.4031	7.4894	4.4337	6.4417	5.4918	5.7090	7.1403	6.4428
Variable O&M	0.3123	0.3073	0.3166	0.3949	0.3237	0.2866	0.3193	0.2330	0.3145	0.3178	0.3037	0.3169	0.3146
Capacity	11.4673	11.0965	12.4269	16.8826	22.1723	22.4393	20.3021	19.4661	19.9948	19.3556	13.1658	10.2952	15.2491
UoS	0.9193	0.8895	0.9962	1.3964	1.8339	1.8560	1.7689	1.6961	1.7422	1.4356	0.9765	0.7636	1.2321
Total PPP in Rs./kWh	19.5924	18.9390	20.8108	26.5677	29.1131	29.9850	29.8798	25.8290	28.4932	26.6008	20.1551	18.5160	23.2387

Rs. in million

Fuel Cost Component	10,387	10,137	9,866	8,385	3,437	3,825	5,249	3,017	5,290	5,305	7,489	10,628	83,015
Variable O&M	471	469	442	420	233	203	224	159	258	307	398	472	4,054
Capacity	17,279	16,926	17,338	17,934	15,932	15,887	14,230	13,245	16,420	18,698	17,270	15,323	196,482
UoS	1,385	1,357	1,390	1,483	1,318	1,314	1,240	1,154	1,431	1,387	1,281	1,137	15,876
Total PPP in Rs.Mln	29,522	28,888	29,035	28,222	20,919	21,229	20,943	17,574	23,399	25,697	26,438	27,559	299,427

It is clarified that PPP is pass through for all the DISCOs and its monthly references would continue to exist irrespective of the financial year, unless the new SOT is revised and notified by the GoP



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FESCO

Annex - I

Description	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Purchased by DISCOs (GWh)	2,037	2,108	1,901	1,265	991	928	913	861	973	1,297	1,777	1,913	16,965

Rs./kWh

Fuel Cost Component	6.8935	6.6457	7.0711	7.8938	4.7831	5.4031	7.4894	4.4337	6.4417	5.4918	5.7090	7.1403	6.4302
Variable O&M	0.3123	0.3073	0.3166	0.3949	0.3237	0.2866	0.3193	0.2330	0.3145	0.3178	0.3037	0.3169	0.3141
Capacity	10.6579	10.3836	11.3315	15.7822	22.8477	22.1862	17.9284	22.0428	19.3877	17.2432	13.2080	12.3537	14.8560
UoS	0.8544	0.8324	0.9084	1.3054	1.8897	1.8350	1.5621	1.9206	1.6893	1.2789	0.9796	0.9163	1.1981
Total PPP in Rs./kWh	18.7181	18.1690	19.6276	25.3763	29.8443	29.7110	27.2993	28.6301	27.8331	24.3317	20.2004	20.7272	22.7985

Rs. in million

Fuel Cost Component	14,045	14,012	13,440	9,984	4,739	5,016	6,837	3,819	6,269	7,124	10,144	13,656	109,086
Variable O&M	636	648	602	499	321	266	292	201	306	412	540	606	5,329
Capacity	21,715	21,893	21,538	19,961	22,635	20,598	16,367	18,987	18,868	22,367	23,469	23,628	252,025
UoS	1,741	1,755	1,727	1,651	1,872	1,704	1,426	1,654	1,644	1,659	1,741	1,752	20,326
Total PPP in Rs.Mln	38,137	38,308	37,306	32,095	29,566	27,585	24,922	24,661	27,087	31,562	35,893	39,643	386,766

It is clarified that PPP is pass through for all the DISCOs and its monthly references would continue to exist Irrespective of the financial year, unless the new SOT is revised and notified by the GoP

MEPCO

Annex - I

Description	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Purchased by DISCOs (GWh)	2,797	2,849	2,616	1,683	1,220	1,103	1,097	1,003	1,163	1,628	2,261	2,549	21,969

Rs./kWh

Fuel Cost Component	6.8935	6.6457	7.0711	7.8938	4.7831	5.4031	7.4894	4.4337	6.4417	5.4918	5.7090	7.1403	6.4635
Variable O&M	0.3123	0.3073	0.3166	0.3949	0.3237	0.2866	0.3193	0.2330	0.3145	0.3178	0.3037	0.3169	0.3148
Capacity	11.8307	10.9628	11.6304	14.4402	21.0533	24.2916	21.9433	21.9433	22.3408	17.2806	13.4817	12.6906	15.2286
UoS	0.9484	0.8788	0.9323	1.1944	1.7413	2.0092	1.9119	1.9119	1.9466	1.2817	0.9999	0.9413	1.2277
Total PPP in Rs./kWh	19.9849	18.7946	19.9505	23.9232	27.9015	31.9905	31.6640	28.5220	31.0436	24.3719	20.4944	21.0891	23.2346

Rs. in million

Fuel Cost Component	19,283	18,930	18,496	13,285	5,837	5,962	8,215	4,445	7,490	8,939	12,909	18,203	141,994
Variable O&M	874	875	828	665	395	316	350	234	366	517	687	808	6,915
Capacity	33,093	31,228	30,422	24,302	25,692	26,804	24,069	22,001	25,977	28,128	30,484	32,352	334,552
UoS	2,653	2,503	2,439	2,010	2,125	2,217	2,097	1,917	2,263	2,086	2,261	2,400	26,971
Total PPP in Rs.Mln	55,902	53,537	52,185	40,262	34,049	35,299	34,731	28,597	36,097	39,670	46,341	53,763	510,433

It is clarified that PPP is pass through for all the DISCOs and its monthly references would continue to exist Irrespective of the financial year, unless the new SOT is revised and notified by the GoP

PESCO

Annex - I

Description	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Purchased by DISCOs (GWh)	1,719	1,664	1,526	1,045	1,055	1,148	1,195	1,116	1,002	1,039	1,291	1,563	15,362

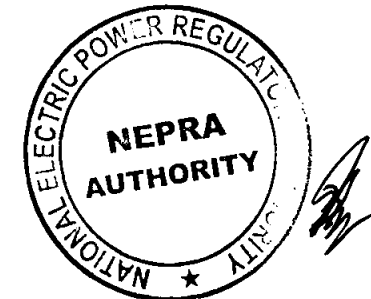
Rs./kWh

Fuel Cost Component	6.8935	6.6457	7.0711	7.8938	4.7831	5.4031	7.4894	4.4337	6.4417	5.4918	5.7090	7.1403	6.3650
Variable O&M	0.3123	0.3073	0.3166	0.3949	0.3237	0.2866	0.3193	0.2330	0.3145	0.3178	0.3037	0.3169	0.3117
Capacity	10.0531	10.0406	11.0598	13.5595	17.0119	16.5135	16.9307	17.4181	15.7725	20.0345	14.4803	12.2126	14.0608
UoS	0.8059	0.8049	0.8866	1.1215	1.4071	1.3658	1.4752	1.5177	1.3743	1.4860	1.0740	0.9058	1.1379
Total PPP in Rs./kWh	18.0648	17.7985	19.3342	22.9698	23.5259	23.5690	26.2147	23.6025	23.9029	27.3301	21.5670	20.5756	21.8755

Rs. in million

Fuel Cost Component	11,847	11,059	10,792	8,250	5,045	6,205	8,946	4,949	6,454	5,708	7,368	11,158	97,781
Variable O&M	537	511	483	413	341	329	381	260	315	330	392	495	4,789
Capacity	17,278	16,708	16,879	14,172	17,945	18,963	20,224	19,442	15,801	20,824	18,689	19,084	216,009
UoS	1,385	1,339	1,353	1,172	1,484	1,568	1,762	1,694	1,377	1,545	1,386	1,415	17,481
Total PPP in Rs.Mln	31,047	29,618	29,507	24,007	24,816	27,065	31,314	26,344	23,947	28,408	27,835	32,152	336,060

It is clarified that PPP is pass through for all the DISCOs and its monthly references would continue to exist Irrespective of the financial year, unless the new SOT is revised and notified by the GoP



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HESCO

Annex - I

Description	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Purchased by DISCOs (GWh)	691	618	616	514	395	315	292	300	345	491	625	718	5,921

Rs./kWh

Fuel Cost Component	6.8935	6.6457	7.0711	7.8938	4.7831	5.4031	7.4894	4.4337	6.4417	5.4918	5.7090	7.1403	6.4196
Variable O&M	0.3123	0.3073	0.3166	0.3949	0.3237	0.2866	0.3193	0.2330	0.3145	0.3178	0.3037	0.3169	0.3154
Capacity	13.5311	15.2518	14.8786	21.6734	24.9659	30.6420	32.7449	28.5718	24.2196	22.0692	15.4140	14.4034	19.5782
UoS	1.0847	1.2227	1.1927	1.7926	2.0649	2.5344	2.8531	2.4895	2.1103	1.6369	1.1433	1.0683	1.5827
Total PPP in Rs./kWh	21.8217	23.4275	23.4592	31.7548	32.1377	38.8662	43.4067	35.7280	33.0860	29.5157	22.5700	22.9289	27.8958

Rs. in million

Fuel Cost Component	4,763	4,110	4,356	4,057	1,890	1,705	2,186	1,331	2,223	2,697	3,568	5,125	38,011
Variable O&M	216	190	195	203	128	90	93	70	109	156	190	227	1,867
Capacity	9,350	9,432	9,165	11,139	9,867	9,667	9,557	8,580	8,359	10,837	9,634	10,338	115,926
UoS	750	756	735	921	816	800	833	748	728	804	715	767	9,371
Total PPP in Rs.Mln	15,079	14,488	14,450	16,321	12,701	12,262	12,669	10,729	11,419	14,494	14,106	16,457	165,175

It is clarified that PPP is pass through for all the DISCOs and its monthly references would continue to exist irrespective of the financial year, unless the new SOT is revised and notified by the GoP

QESCO

Annex - I

Description	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Purchased by DISCOs (GWh)	625	612	603	550	544	523	496	481	463	494	628	641	6,659

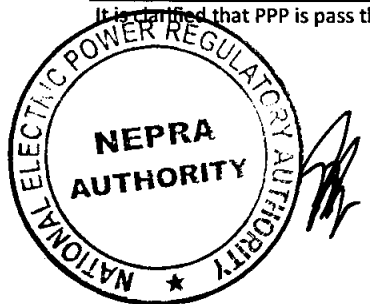
Rs./kWh

Fuel Cost Component	6.8935	6.6457	7.0711	7.8938	4.7831	5.4031	7.4894	4.4337	6.4417	5.4918	5.7090	7.1403	6.3233
Variable O&M	0.3123	0.3073	0.3166	0.3949	0.3237	0.2866	0.3193	0.2330	0.3145	0.3178	0.3037	0.3169	0.3130
Capacity	12.1440	15.2495	14.5882	14.0811	17.5268	17.0161	18.1934	21.6057	17.9639	14.8539	12.4126	13.7819	15.5559
UoS	0.9735	1.2225	1.1695	1.1647	1.4497	1.4074	1.5852	1.8825	1.5652	1.1017	0.9207	1.0222	1.2645
Total PPP in Rs./kWh	20.3234	23.4250	23.1454	23.5345	24.0833	24.1133	27.5873	28.1550	26.2853	21.7652	19.3460	22.2613	23.4567

Rs. in million

Fuel Cost Component	4,307	4,067	4,264	4,338	2,604	2,824	3,717	2,134	2,981	2,713	3,584	4,578	42,109
Variable O&M	195	188	191	217	176	150	158	112	146	157	191	203	2,084
Capacity	7,587	9,333	8,798	7,738	9,541	8,892	9,029	10,397	8,312	7,337	7,792	8,836	103,592
UoS	608	748	705	640	789	735	787	906	724	544	578	655	8,421
Total PPP in Rs.Mln	12,697	14,336	13,959	12,933	13,111	12,601	13,691	13,549	12,162	10,751	12,145	14,272	156,205

It is clarified that PPP is pass through for all the DISCOs and its monthly references would continue to exist irrespective of the financial year, unless the new SOT is revised and notified by the GoP



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## SEPCO

Annex - I

Description	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Purchased by DISCOs (GWh)	563	523	512	368	265	226	212	196	205	309	383	471	4,232

Rs./kWh

Fuel Cost Component	6.8935	6.6457	7.0711	7.8938	4.7831	5.4031	7.4894	4.4337	6.4417	5.4918	5.7090	7.1403	6.4722
Variable O&M	0.3123	0.3073	0.3166	0.3949	0.3237	0.2866	0.3193	0.2330	0.3145	0.3178	0.3037	0.3169	0.3157
Capacity	11.1933	12.3731	11.6037	15.4890	18.5205	15.9693	25.7618	22.0752	21.0032	17.6167	12.7604	11.1514	14.7915
UoS	0.8973	0.9919	0.9302	1.2811	1.5318	1.3208	2.2446	1.9234	1.8300	1.3066	0.9464	0.8271	1.1955
Total PPP in Rs./kWh	19.2965	20.3179	19.9217	25.0589	25.1592	22.9798	35.8152	28.6654	29.5894	24.7329	19.7195	19.4358	22.7748

Rs. in million

Fuel Cost Component	3,878	3,477	3,621	2,905	1,265	1,220	1,591	868	1,321	1,696	2,184	3,362	27,389
Variable O&M	176	161	162	145	86	65	68	46	65	98	116	149	1,336
Capacity	6,297	6,474	5,943	5,700	4,899	3,604	5,474	4,324	4,308	5,440	4,881	5,251	62,594
UoS	505	519	476	471	405	298	477	377	375	403	362	389	5,059
Total PPP in Rs.Mln	10,855	10,631	10,203	9,222	6,655	5,187	7,610	5,614	6,069	7,637	7,544	9,152	96,378

It is clarified that PPP is pass through for all the DISCOs and its monthly references would continue to exist irrespective of the financial year, unless the new SOT is revised and notified by the GoP

## TESCO

Annex - I

Description	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Purchased by DISCOs (GWh)	210	205	212	201	202	206	197	209	198	182	227	220	2,470

Rs./kWh

Fuel Cost Component	6.8935	6.6457	7.0711	7.8938	4.7831	5.4031	7.4894	4.4337	6.4417	5.4918	5.7090	7.1403	6.2859
Variable O&M	0.3123	0.3073	0.3166	0.3949	0.3237	0.2866	0.3193	0.2330	0.3145	0.3178	0.3037	0.3169	0.3119
Capacity	18.6113	18.9190	21.4520	23.8306	26.4829	26.8500	29.3538	36.2442	35.1616	24.7947	22.5584	21.0510	25.3473
UoS	1.4920	1.5166	1.7197	1.9710	2.1904	2.2208	2.5576	3.1580	3.0637	1.8390	1.6732	1.5614	2.0708
Total PPP in Rs./kWh	27.3091	27.3887	30.5595	34.0904	33.7802	34.7605	39.7202	44.0689	44.9814	32.4432	30.2444	30.0696	34.0158

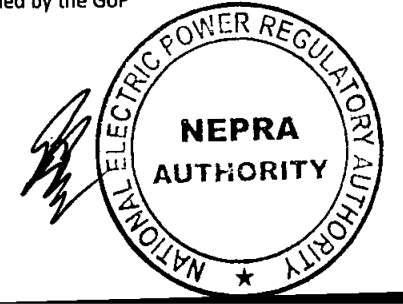
Rs. in million

Fuel Cost Component	1,448	1,364	1,499	1,590	967	1,113	1,477	925	1,274	1,002	1,295	1,570	15,525
Variable O&M	66	63	67	80	65	59	63	49	62	58	69	70	770
Capacity	3,910	3,882	4,547	4,800	5,353	5,532	5,791	7,562	6,953	4,525	5,117	4,630	62,602
UoS	313	311	364	397	443	458	505	659	606	336	380	343	5,114
Total PPP in Rs.Mln	5,738	5,620	6,477	6,867	6,828	7,162	7,836	9,195	8,894	5,920	6,861	6,614	84,011

It is clarified that PPP is pass through for all the DISCOs and its monthly references would continue to exist irrespective of the financial year, unless the new SOT is revised and notified by the GoP

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L. Naita



**FUEL PRICE ADJUSTMENT MECHANISM**

Actual variation in fuel cost component against the reference fuel cost component for the corresponding months will be determined according to the following formula

$$\text{Fuel Price variation} = \text{Actual Fuel Cost Component} - \text{Reference Fuel Cost Component}$$

Where:

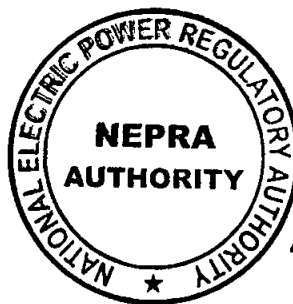
Fuel Price variation is the difference between actual and reference fuel cost component

Actual fuel cost component is the fuel cost component in the pool price on which the DISCOs will be charged by CPPA (G) in a particular month; and

Reference fuel cost component is the fuel cost component for the corresponding month projected for the purpose of tariff determination as per Annex-IV of the determination;

The fuel price adjustment determined by the Authority shall be shown separately in the bill of the consumer and the billing impact shall be worked out on the basis of consumption by the consumer in the respective month.

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QUARTERLY ADJUSTMENT MECHANISM

Quarterly adjustment shall be the Actual variation in Power Purchase Price (PPP), excluding Fuel Cost Component, against the reference Power Purchase Price component and the impact of T&D losses on FCA, for the corresponding months and shall be determined according to the following formula;

$$\text{Quarterly PPP}_{(Adj)} = \frac{\text{PPP}_{(Actual)} (\text{excluding Fuel cost}) - \text{PPP}_{(Recovered)} (\text{excluding Fuel cost})}{\text{Where;}}$$

Where;

PPP<sub>(Actual)</sub> is the actual cost, excluding Fuel cost, invoiced by CPPA-G to XWDISCOs, adjusted for any cost disallowed by the Authority.

PPP<sub>(Recovered)</sub> is the amount recovered based on reference rate in Rs./kWh, excluding fuel cost, as per the Annex-IV of the XWDISCOs determination that remained notified during the period.

Impact of T&D losses on FCA

$$= \frac{\text{Monthly FCA allowed}_{(Rs./kWh)} \times \text{Actual units Purchase} \times \% \text{ T\&D losses}}{\text{Where;}}$$

Where;

Monthly FCA allowed <sub>(Rs./kWh)</sub> is the FCA allowed by the Authority for the respective months of the concerned period.

T&D Loss % is percentage of T&D losses that remained notified during the period.

The sum of amounts so worked for each month of the Quarter shall be divided by the Projected units to be sold as determined by the Authority to work out Rs./kWh Quarterly adjustment.

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