

Mr. Syed Safeer Hussain,  
Registrar,  
National Electric Power Regulatory Authority,  
NEPRA Tower, Attaturk Avenue (East),  
Sector G-5/1,  
Islamabad.

Ref No. KE/BPR/NEPRA/2021/253  
January 29, 2021

**Subject: Quarterly variation for the quarter July 2020 to September 2020 (revised) and October 2020 to December 2020 under Multi-Year Tariff 2017 – 2023**

Dear Sir,

This is with reference to the mechanism for monthly and quarterly variations provided in the Multi-Year Tariff Determination of K-Electric Limited (KE) dated July 5, 2018 (MYT), notified vide SRO No. 576 (I)/2019 dated May 22, 2019.

In this regard, please find attached calculation of quarterly variation for the quarters July 2020 to September 2020 (revised) and October 2020 to December 2020 along with relevant supports, for Authority's approval.

Further, please note that KE is submitting revised quarterly variations for quarter July 2020 to September 2020 due to revision in Natural Gas Price as per OGRA's notification dated September 23, 2020, effective from September 01, 2020. Further, CPPA-G's fuel cost rates (latest determined) and RLNG rate for the month of September 2020 have also been updated as determined by the NEPRA and OGRA respectively.

Moreover, fuel cost variation (own plants) for these quarters include impact of GIDC arrears monthly installments billed by SSGC during September 2020 to December 2020 amounting to PKR 762 million (excluding taxes) which is to be passed onto consumers.

Summary of the Quarterly Variations is given below:

Quarter	Quarterly Variation per unit (PKR / kWh)
July to September, 2020 (Revised)	1.929
October to December, 2020	1.874

KE dispatches as per Economic Merit Order from its own generating units (with the available fuel resources) and import from external sources. It is also certified that the cost of fuel and power purchase claim does not include any amount of late payment surcharge / mark-up / interest. Requisite details including generation statistic sheets and invoices have already been submitted with monthly cost variations for the months of July 2020 to December 2020.

#### Heat Rate

In the MYT, NEPRA determined provisional Heat rates for KE's generating plants and directed KE to conduct fresh Heat rate test for its plants, based on which final Heat rates will be determined by NEPRA.

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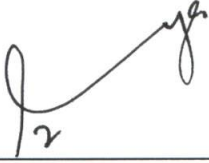
In this regard, NEPRA has issued its decision on Heat rate for BQPS – II plant on January 1, 2020 and accordingly the calculations are based on Heat rates determined therein.

Further, with respect to Heat Rates of KCCP, SGTPS & KGTPS, NEPRA issued its determination on September 2, 2020 and January 18, 2021 respectively, against which KE has filed review motions. The required adjustment will be incorporated after the final heat rates are determined.

Moreover, Heat rate test of BQPS I Plant has been conducted and Independent Engineers' reports have been submitted to NEPRA. The working for required adjustment will be submitted to NEPRA after determination of final Heat rates BQPS I based on the test results.

Further, KE would humbly request NEPRA for expeditious processing of pending monthly variations for July 2019 to December 2020 and quarterly tariff variations for the period April 2019 to September 2020.

Sincerely,



**Ayaz Jaffar Ahmed**  
Director – Finance & Regulations

**Enclosed:**

- Calculation sheet of quarterly adjustment – July 2020 to September 2020 (Revised)
- Calculation sheet of quarterly adjustment – October 2020 to December 2020
- Supporting Documents for the quarter – October 2020 to December 2020