

 ISLAMABAD: The National Electric Power Regulatory Authority (Nepra) approved on Tuesday an increase of 75 paise per unit in the electricity tariff for Wapda companies on account of fuel adjustment for April.

The decision was taken at a hearing presided over by Nepra's vice chairman, Khawaja Mohammad Naeem.

The increase will generate about Rs5.9 billion for Wapda's distribution companies.

Nepra plans to separately notify the schedule of recovery of the tariff increase because it has already ordered recovery of fuel adjustment of past eight months over the next five months.

Representatives of the central power purchasing agency (CPPA) said on behalf of distribution companies that the regulator had increased the fuel-based tariff at Rs7.68 per unit for April although the actual fuel-based cost of power generation had been worked out at Rs8.42 per unit because of adverse fuel mix.

The CPPA said the distribution companies sold about 6.13 billion units of electricity whose fuel cost was estimated at Rs51.72 billion of which Rs120 million worth of electricity was wasted due to system losses. It said the major contribution to higher fuel cost was because of higher contribution of generation from furnace oil and diesel.

It said the cost of diesel-based generation stood at Rs21.48 per unit, furnace oil-based tariff at Rs16.48 per unit followed by gas-based generation at Rs4.82 per unit and nuclear energy at Rs1.43 per unit compared with about 11 paise per unit of hydropower generation.

It may be noted that Nepra had already forwarded the fuel-based tariff adjustment ranging from Rs1.33 to Rs1.55 per unit for eight months of last year for recovery from June to October, 2013.

The ministry of water and power has not yet notified these revisions because the caretaker government has decided to leave the matter for the coming government.

A Nepra official said that due to non-notification of revised tariffs, the CPPA had adopted the reference tariff for April, 2012 at Rs7.68 per unit instead of Rs9.97 approved by Nepra.

As a result, the fresh tariff revision necessitated an increase of 75 per unit instead of reduction of Rs1.55 per unit for April, 2013.

The increase in tariff will not apply to Wapda consumers using less than 50 units per month and consumers of the Karachi Electric Supply Company.

Courtesy: Dawn