
Another power tariff hike in offing

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ISLAMABAD:

Electricity consumers may need to brace for another jolt as power distribution companies have proposed a tariff increase of up to Rs3.48 per unit.

The companies have requested permission from the National Electric Power Regulatory Authority (NEPRA) to collect an additional Rs3.488 per unit from consumers under the fuel charges adjustment (FCA) for April 2024.

The Central Power Purchasing Agency (CPPA) filed the petition on behalf of XWDiscos, and NEPRA has scheduled a public hearing on May 30, 2024, to address the matter.

According to data submitted to NEPRA, the CPPA reported that 8,639 GWh of electricity was generated in April 2024, at a cost of Rs 79.55 billion, or Rs9.208 per unit.

Out of this, 8,375 GWh, costing Rs75.205 billion, was delivered to distribution companies, with transmission losses recorded at 2.73 per cent.

However, the petitioner has also decided to make a backward adjustment of Rs3.06 billion (repay to the consumer), after that, the total amount goes down to Rs75.2 billion (or 8.98 per unit).

Power generation figures reveal a 2.2 percent increase to 881 gigawatt-hours (GWh) from local coal while the generation from imported coal was 21 GWh compared to zero generation in previous month.

In April 2024, the government notably produced less electricity from renewable and cost-effective sources compared to the previous month. Had these resources been utilised, the costs would have further decreased, benefiting consumers with lower payments.

The petition outlines that in April, the consumers were charged a reference fuel cost of Rs5.4918 per unit, while the actual fuel cost incurred was Rs8.9801 per unit. The CPPA argues that the additional cost burden of Rs3.4883 per unit should be transferred to the consumers.

Power generation in April 2024 dropped by 13.7 per cent from the previous year and while increased by 7.7 percent from March 2024. The generation cost decreased 10.1 per cent to Rs9.2086 per unit YoY but increased 10.8 per cent from March 2024.

In April 2024, hydropower generation increased by 10.6 per cent, while coal (local and imported)-based generation declined by over 50 per cent. Natural gas-based power generation fell by 18 per cent, RLNG-based generation down by 10.8 percent, while nuclear power saw an increase of 6.6 per cent over the same month of last year.

No electricity was generated from the high-speed diesel and furnace oil.

Meanwhile, the K-Electric (KE) has secured approval from the National Electric Power Regulatory Authority (Nepra) for its Power Acquisition Programme (PAP) for the period FY 2024-2028. This approval represents a pivotal development in KE's strategy to enhance the reliability and sustainability of power supply in Karachi.