



Central Power Purchasing Agency (Guarantee) Limited

A Company of Government of Pakistan



OFFICE OF THE CHIEF EXECUTIVE OFFICER

Ref No. CPPA/CEO/2887/1644

Date: 26-06-2025

THE REGISTRAR,
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA Tower Attaturk Avenue (East),
G-5/1, Islamabad.

Subject: Application for Adjustment of Tariff Components in Respect of 404 MW Project of Uch-II Power (Pvt) Ltd (the "Company").

Please find attached joint Application for Adjustment of Tariff as per clause 3.1 of the Amendment Agreement dated 03rd June 2025.

Pursuant to Cabinet's approval, it is submitted that in order to reduce consumer-end tariff and alleviate the burden on general public, both the Company and Power Purchaser have mutually agreed to enter into Amendment Agreement and adopt the 'Hybrid Take & Pay' model which is being submitted herewith for the approval of the Authority.

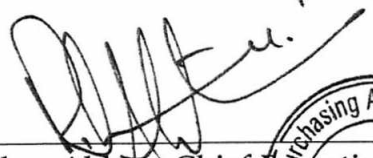
Since this Application is being submitted purely in National interest, it is most humbly requested that the applicable fee for this Application may kindly be waived off.

The Applicants will be pleased to provide any further information, clarification or explanation that may be required by the Authority in this regard during its evaluation of the attached tariff adjustment.

Yours sincerely,
For and on behalf of
CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

TARIFF (DEPARTMENT)

Dir (T-I)..... Dir (T-II).....
Dir (T-III)..... Dir (T-IV).....
Dir (T-V)..... Addl. Dir (RE).....
Date: 2-7-25


Rihan Akhtar, Chief Executive Officer



Forwarded please:

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<input type="checkbox"/> DG (Lic.)	<input type="checkbox"/> DG (Admn/HR)
<input type="checkbox"/> DG (M&E)	<input type="checkbox"/> DG (CAD)
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<input type="checkbox"/> Consult (Tech.)	<input type="checkbox"/> Consult (CTBCM)

For kind information, please.

1. Chairman 2. M (Tech)
3. M (Law) 4. M (Dev)

AD(T)
17/06/25

REGISTRAR OFFICE
Diary No: 7656
Date: 30.6.25

Tariff Division Record
Dy No: 2885
Dated: 1-7-25

BEFORE
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

APPLICATION FOR ADJUSTMENT OF TARIFF

APPLICANTS: CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED
&
UCH-II POWER (PVT) LIMITED

IN RESPECT OF 404 MW PROJECT

DATED: June 24, 2025

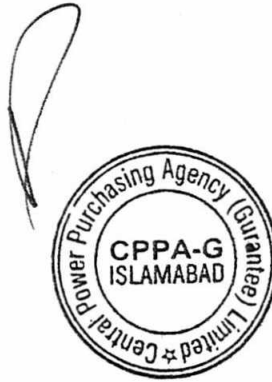
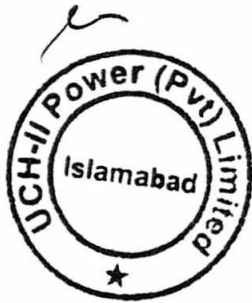
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Tariff Adjustment Application

In respect of UCH-II POWER (PVT) LIMITED

Applicants

- i. The Central Power Purchasing Agency (Guarantee) Limited, a guarantee limited company with its registered office located at Shaheen Plaza, Fazl-ul Haq Road, Blue Area, Islamabad ("CPPA-G) and;
- ii. UCH-II Power (Pvt) Limited with its office located at 2-B, I&T Center, Sector G-6/1-1, Islamabad ("the Company")

Collectively referred to as "the Applicants" are hereby jointly filing this Tariff Adjustment Application ("Application") before National Electric Power Regulatory Authority ("Authority") for adjustment in tariff components allowed to the Company through the Authority's determination bearing No. NEPRA/TRF-122/UCH-II-2008/10809-10811, dated July 03, 2017 and NEPRA/TRF-122/UCH-II-2008/6734-6736, dated April 24, 2018.

Generation License

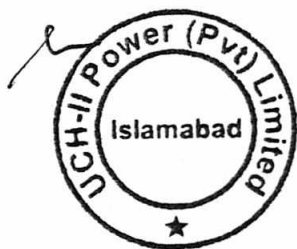
The Authority granted the Company a Generation License bearing No. IGSPL/25/2010.

PPA and Tariff

A Power Purchase Agreement was executed by and between the Company and National Transmission and Despatch Company Limited on January 19, 2011.

Pursuant to the tariff determination of Uch-II Power (pvt) Ltd issued by the Authority No. NEPRA/R/TRF-122/UCH-II-2008/1744-1746 dated April 24, 2009 followed by the below mentioned decisions of the Authority;

- a) Decision of the Authority regarding motion for leave for review filed by Uch-II dated June 26, 2009
- b) Decision of the Authority pertaining to reconsideration request filed by MoWP dated October 16, 2009
- c) Corrigendum regarding decision on the motion for leave for review filed by Uch-II dated December 28, 2010
- d) Decision of the Authority in the matter of tariff modification petition filed by Uch-II dated April 22, 2015
- e) Corrigendum regarding tariff modification decision dated May 12, 2015
- f) Decision of the Authority regarding motion for leave for review of tariff modification decision dated October 01, 2015
- g) Decision of the Authority NEPRA/TRF-122/UCH-II-2008/10809-10811 dated July 3, 2017, in the matter of Tariff Adjustments at COD
- h) Decision of the Authority in the matter of Motion for Leave for Review filed by Uch-II Power (Pvt.) Ltd. No. NEPRA/TRF-122/UCH-II-2008/6734-6736 dated April 24, 2018, regarding Tariff Adjustment COD
- i) Decision of the Authority dated March 10, 2021 notified vide S.R.O. No. 1041(I)/2023 on August 09, 2023 in the matter of change of base year 2007-2008 to base year 2015-16 for Consumer Price Index (CPI) for indexation of fixed and variable O&M (Local) components. (collectively referenced as "Tariff") of the Company.



/



Consumer Price Index (CPI) for indexation of fixed and variable O&M (Local) components. (collectively referenced as "Tariff") of the Company.

Ground

Based on the AA, the Applicants agreed to jointly develop and submit a tariff adjustment application as a necessary condition to bring into effect the terms of section 2.2(b) of the AA.

Determination Sought

It is humbly prayed that the Authority:

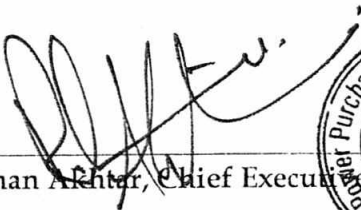
- (a) Accept this Application;
- (b) Revise indexation mechanism of the Operation and Maintenance Component of the Tariff as agreed between the Applicants in clause 2.2(b) of the AA;
- (c) Revise Indexation of Insurance Component of the Tariff as agreed between the Applicants in clause 2.2(b) of the AA;
- (d) Adjust the Foreign Component of ROE and ROEDC of the Tariff as agreed between the Applicants in clause 2.2(b) of the AA;
- (e) Revise the Existing mechanism of "Take or Pay" to Hybrid Take and Pay" model, whereby the Company is entitled for 35% of ROE and ROEDC as part of CPP and remaining ROE and ROEDC component is subject to generation beyond 35% contract capacity, and
- (f) Approve the Tariff Adjustment to become effective as provided in clause 2.1 of the AA and notified accordingly.


The Applicants will be pleased to provide any further information, clarification or explanation as may be required by the Authority during its evaluation of the attached tariff adjustment.

Yours sincerely,

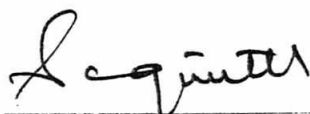
For and on behalf of

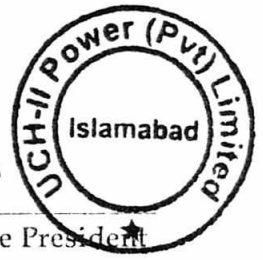
Central Power Purchasing Agency (Guarantee)
Limited


Rihan Akhtar, Chief Executive Officer



Uch-II Power (Pvt) Limited


Syed Saqib Hasan, Vice President
Finance



Section 1 – Summary of Particulars

A. Particulars of the Applicants

Name: Uch-II Power (Pvt) Limited (the "Company").
Address: 2-B, I&T Center, Sector G-6/1-1, Islamabad.
Phone: +92 51 2624 840-45

Name: Central Power Purchasing Agency (Guarantee) Limited ("CPPA-G").
Address: Shaheen Plaza, 73 West, Fazal-e-Haq Road, Blue Area, Islamabad, Pakistan.
Phone: 051-111-922-772
E-mail: info@cppa.gov.pk

B. Authorizations

This Application is being filed and submitted before the Authority by Mr. Rihan Akhtar, Chief Executive Officer CPPA-G and Syed Saqib Hasan Vice President Finance Uch-II Power (Pvt) Limited, being duly authorized representative of the Applicants by virtue of board resolution appended herewith as Annex 2 & Annex 3 respectively.

C. Applicant's Representatives

Mr. Rihan Akhtar, CEO CPPA-G.

Mr. Syed Saqib Hasan, Vice President Finance Uch-II Power (Pvt) Limited.

D. Processing Fee

The applicable fee for this Application, as determined by the Authority, is enclosed herewith.

E. Verification Through Affidavit

As required under the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998 (the "Rules"), an affidavit verifying the statement of fact or opinion made by the Applicants in this Application is enclosed herewith as Annex 4 and Annex 5.



Section 2 – Proposed Amendments

2.1 The Applicants have entered into the AA, appended herewith as Annex-1.

Pursuant to Clause 2.2(b) of the AA, the Applicants have agreed to adjust the Components of Tariff as per the following terms and conditions:

(a) **Indexation of Operation & Maintenance Components**

Operation & Maintenance Components' (the "O&M") as determined by NEPRA (for the quarter ended 31st December 2024) shall continue as revised reference with the following quarterly indexation mechanism:

- i). Fixed O&M - Local and Variable O&M – Local shall be indexed with lower of (a) five percent (5%) per annum or (b) the actual average National Consumer Price Index (the "NCPI") for the preceding twelve (12) months.
- ii). Fixed O&M - Foreign and Variable O&M – Foreign shall be indexed as per the existing mechanism provided that the PKR / USD depreciation shall be allowed only to the extent of 70% of the actual depreciation per annum. In case, the PKR appreciates against the USD in a year, then 100% of such appreciation shall be passed on to the consumers. For clarification, the indices used in the quarterly indexation determined by NEPRA for the period Oct-Dec 2024 shall prevail.

(b) **Insurance Component**

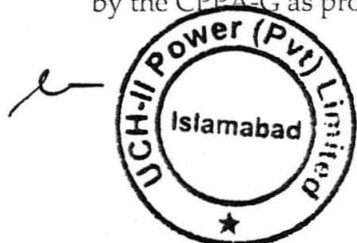
Insurance with effect from subsequent Agreement Year i.e. 4th April 2025 shall be revised such that it should be paid in actual subject to a maximum limit to be capped at 0.9% of allowed EPC Cost as per existing mechanism.

(c) **Foreign Component of ROE and ROEDC**

The foreign component of ROE and ROEDC as determined by NEPRA for the Jan-Mar 2025 quarter shall be recomputed based on 17% rate of return, at the fixed exchange rate of PKR 168 / USD. Thereafter, there shall be no exchange rate indexation.

(d) **Hybrid Take and Pay Model**

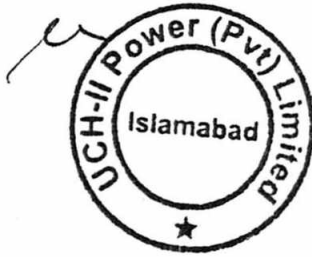
As per clause 2.2 (b)(i) of the AA, the Applicants agreed to implement a 'Hybrid Take-and-Pay Model', whereby tariff payment to the Company shall be made by the CPPA-G as provided hereunder.



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From the Effective Date, prorated for remaining period of the current Agreement year, and thereafter for every Agreement year, the Company will be entitled to thirty-five percent (35%) of revised ROE and ROEDC components of tariff as part of CPP, which will be computed as per the terms of the Existing PPA. From the Effective Date, in case the Despatched and Delivered Net Electrical Output (the "NEO") of the Company exceeds thirty-five percent (35%) of the total Contract Capacity in terms of kWh, then the Company will be entitled to receive ROE and ROEDC components of tariff, which shall be calculated on the actual NEO exceeding thirty-five percent (35%) of the total Contract Capacity in terms of kWh and the Company shall claim the differential CPP accordingly.



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ed Tariff

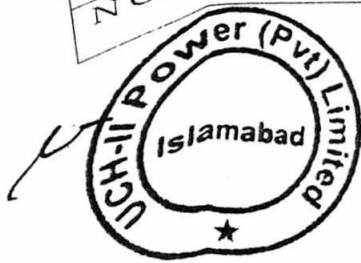
he proposed tariff changes:

2052
are
Tariff
Fixed
Variable
Fixed
Variable
ROE (F
ROEDC
Insurance

ff Component	Proposed Reference Tariff (Rs./kW/h)	Indexation
&M (Local)	0.3218	Lower of 5% per annum or actual average NCPI for the preceding 12 months
O&M (Local)	0.1161	
&M (Foreign)	0.6492	US CPI & PKR/US\$ provided that 70% PKR/US\$ depreciation and 100% PKR/US\$ appreciation is applicable.
O&M (Foreign)	0.6014	
oreign)	0.9947	Recomputed based on 17% rate of return, at the fixed exchange rate of PKR 168 / USD and no further exchange rate indexation
(Foreign)	0.2772	
ce		Actual subject to a maximum limit to be capped at 0.9% of allowed EPC Cost as per existing mechanism w.e.f April 04,2025

As above figures have been calculated on the understanding between the company
and CPPA-G, NEPRA to kindly review and verify.

Reference Parameters:	Oct-Dec 2024
Exchange Rate (PKR/US\$)	278.05
US CPI (All Urban Consumers)	314.796
N CPI (Local)	262.320



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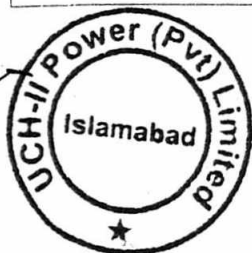
Section 3- Proposed Tariff

The following are the proposed tariff changes:

Tariff Component	Proposed Reference Tariff (Rs./kW/h)	Indexation
Fixed O&M (Local)	0.3218	Lower of 5% per annum or actual average NCPI for the preceding 12 months
Variable O&M (Local)	0.1161	
Fixed O&M (Foreign)	0.6492	US CPI & PKR/US\$ provided that 70% PKR/US\$ depreciation and 100% PKR/US\$ appreciation is applicable.
Variable O&M (Foreign)	0.6014	
ROE (Foreign)	0.9947	Recomputed based on 17% rate of return, at the fixed exchange rate of PKR 168 / USD and no further exchange rate indexation
ROEDC (Foreign)	0.2772	
Insurance		Actual subject to a maximum limit to be capped at 0.9% of allowed EPC Cost as per existing mechanism w.e.f April 04,2025

As above figures have been calculated on the understanding between the company and CPPA-G, NEPRA to kindly review and verify.

Reference Parameters:	Oct-Dec 2024
Exchange Rate (PKR/US\$)	278.05
US CPI (All Urban Consumers)	314.796
N CPI (Local)	262.320



Section 4 - Determination Sought

In light of the foregoing submissions, the learned Authority is kindly requested to:

- (a) Accept this Application;
- (b) Revise indexation mechanism of the Operation and Maintenance Component of the Tariff as agreed between the Applicants in clause 2.2(b) of the AA;
- (c) Revise Indexation of Insurance Component of the Tariff as agreed between the Applicants in clause 2.2(b) of the AA;
- (d) Revise the Foreign Component of ROE and ROEDC of the Tariff as agreed between the Applicants in clause 2.2(b) of the AA;
- (e) Revise the Existing mechanism of "Take or Pay" to Hybrid Take and Pay" model, whereby the Company is entitled for 35% of ROE and ROEDC as part of CPP and remaining ROE and ROEDC component is subject to generation beyond 35% contract capacity, and
- (f) Approve the Tariff Adjustment to become effective as provided in clause 2.1 of the AA and notified accordingly.

