



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/DG(Trf)/TRF-322/CPGCL-2015/ 20957-61

August 09, 2023

Subject: **Decision of the Authority in the matter of Indexation/Adjustment of Tariff for Central Power Generation Company Limited for 747 MW Combined Cycle Power Project at Guddu for April to June 2023 Quarter [Case No. NEPRA/TRF-322/CPGCL-2015]**

Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised tariff components at **Annex-I** (total 02 pages) regarding quarterly indexation/adjustment of tariff of Central Power Generation Company Limited for the quarter **April to June 2023** on account of US CPI, CPI Local, Exchange Rate variation in Case No. NEPRA/TRF-322/CPGCL-2015.

2. The decision is being sent to the Federal Government for intimation and action, if any, by the Federal Government under Proviso (ii) of Section 31(7) of NEPRA Act, before its notification by NEPRA pursuant to the said Proviso of Section 31(7) of NEPRA Act, 1997

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, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad.
4. Chief Executive Officer, Central Power Generation Company Ltd. (CPGCL) Guddu Thermal Power Station, Guddu (Kashmore)

**DECISION OF THE AUTHORITY IN THE MATTER OF INDEXATION/ ADJUSTMENT OF TARIFF FOR CENTRAL POWER GENERATION COMPANY LIMITED FOR 747 MW COMBINED CYCLE POWER PROJECT AT GUDDU FOR APRIL TO JUNE 2023 QUARTER.**

1. Pursuant to the decision of the Authority dated April 7, 2017 notified vide S.R.O No. 448(I)/2017 dated May 30, 2017 in the matter of Motion for Leave for Review, decision dated December 28, 2020 in the matter of tariff modification to include open cycle tariff and decision dated July 28, 2021 in respect of Motion for Leave for Review, the relevant tariff components of Central Power Generation Company Limited for 747 MW Power Plant located at Guddu (CPGCL-Guddu) in respect of July to September 2023 quarter have been revised on account of US CPI, CPI Local and Exchange Rate variation in accordance with the requisite indexation/adjustment mechanism stipulated in the decision(s) of the Authority. The revised components are indicated hereunder shall be immediately applicable:

Tariff Components	Reference Apr 7, 2017 & Jul 28, 2021	Revised July to Sep 2023 Quarter
<b>Capacity Charge (Rs./kW/Hour)</b>		
Fixed O&M - Local	0.0627	0.0858
Fixed O&M - Foreign	0.1375	0.5098
ROE	0.3894	1.1146
Debt Servicing (Local)	0.1793	0.1793
Cost of Working Capital	0.0158	-
<b>Total</b>	<b>0.7847</b>	<b>1.8895</b>
<b>Variable O&amp;M (Rs./kWh)</b>		
Variable O&M - Foreign	0.2998	1.1115

2. CPGCL-Guddu did not request for the adjustment of Cost of Working Capital. Therefore, same is not considered.
3. The above referred revised tariff components attached as **Annex-I** are to be notified in the official gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.
4. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

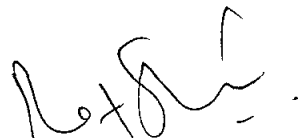
**AUTHORITY**



Mathar Niaz Rana (nsc)  
Member



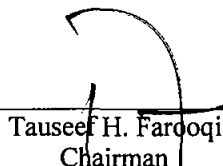
Engr. Maqsood Anwar Khan  
Member

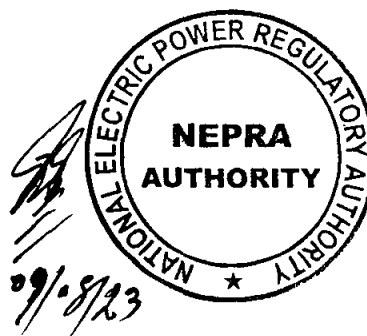


Engr. Rafique Ahmed Shaikh  
Member



Amina Ahmed  
Member

  
Tauseef H. Farooqi  
Chairman



**Central Power Generation Company Limited**  
**747 MW Combined Cycle Power Plant, Guddu**  
**Quarterly Indexation/Adjustment of Tariff**

Tariff Components	Reference Apr 7, 2017 & Jul 28, 2021	Revised July to Sep 2023 Quarter	Indexation
<b>Capacity Charge (Rs./kW/Hour)</b>			
Fixed O&M - Local	0.0627	0.0858	CPI
Fixed O&M - Foreign	0.1375	0.5098	US CPI & Rs./US\$
ROE	0.3894	1.1146	Rs./US\$
Debt Servicing (Local)	0.1793	0.1793	-
Cost of Working Capital	0.0158	-	KIBOR & Fuel Price
<b>Total</b>	<b>0.7847</b>	<b>1.8895</b>	
<b>Variable O&amp;M (Rs./kWh)</b>			
Variable O&M - Foreign	0.2998	1.1115	US CPI & Rs./US\$
<b>Indexation Values:</b>			<b>Source</b>
Exchange Rate (Rs./USD)	100.300	287.100	NBP - Revised rate of June 27, 2023
US CPI (All Urban Consumers)	234.812	304.127	U.S. Bureau of Labor Statistics - Revised value of May 2023
CPI (General) - Local	196.79	269.270	Pakistan Bureau of Statistics - Revised value of Jun 2020

- For the purpose of indexation of Local O&M components for Jul-Sep 2023 quarter, CPI for May 2023 was required to be used. However, Pakistan Bureau of Statistics has discontinued the publication of CPI for base year 2007-08 w.e.f. July 2020 and replaced it with National CPI for new base year 2015-16. As per relevant provision of the PPA, the latest available CPI of June 2020 for base year 2007-08 has been used for the instant indexation/adjustment. The indexation of Local O&M components is being made on provisional basis, subject to revision upon decision of new reference index value by the Authority.

- The Authority vide its decision dated March 10, 2021 replaced CPI Base Year 2007-08 with N-CPI Base Year 2015-16. The decision shall be implemented upon Notification in the Official Gazette.

- CPGCL-Guddu did not request for the adjustment of Cost of Working Capital. Therefore, same is not considered.

- Based on the data declared by Central Power Generation Company Limited (Guddu).



*For Matter*