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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-322/CPGCL-2015/2873-77

February 17, 2023

Subject: Decision of the Authority in the matter of Indexation/Adjustment of Tariff for Central Power Generation Company Ltd. (CPGCL) for 747 MW Combined Cycle Power Project at Guddu for January-March 2023 Quarter – (Case No. NEPRA/TRF-322/CPGCL-2015)

Dear Sir,

Please find enclosed herewith subject decision of the Authority along with revised tariff components (Annex-I) (02 Pages) in the matter of quarterly indexation/adjustment of tariff for the quarter January-March 2023 on account of US CPI, CPI Local and Exchange Rate variation in respect of Central Power Generation Company Ltd. 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

Secretary
Ministry of Energy (Power Division)
'A' Block, Pak Secretariat
Islamabad


(Engr. Mazhar Iqbal Ranjha)

Copy to: (alongwith copy of subject Decision):

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 JANUARY TO MARCH 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 January to March 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:

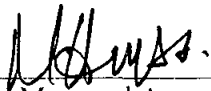
Tariff Components	Reference Apr 7, 2017 & Jul 28, 2021	Revised Jan to Mar 2023 Quarter
Capacity Charge (Rs./kW/Hour)		
Fixed O&M - Local	0.0627	0.0858
Fixed O&M - Foreign	0.1375	0.3944
ROE	0.3894	0.8809
Debt Servicing (Local)	0.1793	0.1793
Cost of Working Capital	0.0158	-
Total	0.7847	1.5404
Variable O&M (Rs./kWh)		
Variable O&M - Foreign	0.2998	0.8599

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



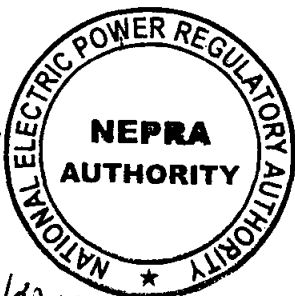
Mathar Niaz Rana (nsc)
Member



Engr. Maqsood Anwar Khan
Member



Engr. Rafique Ahmed Shaikh
Member



Tausseef H. Farooqi
Chairman

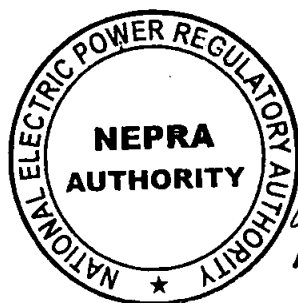
Central Power Generation Company Limited
747 MW Combined Cycle Power Plant, Guddu
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference Apr 7, 2017 & Jul 28, 2021	Revised Jan to Mar 2023 Quarter	Indexation
Capacity Charge (Rs./kW/Hour)			
Fixed O&M - Local	0.0627	0.0858	CPI
Fixed O&M - Foreign	0.1375	0.3944	US CPI & Rs./US\$
ROE	0.3894	0.8809	Rs./US\$
Debt Servicing (Local)	0.1793	0.1793	-
Cost of Working Capital	0.0158	-	KIBOR & Fuel Price
Total	0.7847	1.5404	
Variable O&M (Rs./kWh)			
Variable O&M - Foreign	0.2998	0.8599	US CPI & Rs./US\$
Indexation Values:			Source
Exchange Rate (Rs./USD)	100.300	226.900	NBP - Revised rate of Dec 30, 2022
US CPI (All Urban Consumers)	234.812	297.711	U.S. Bureau of Labor Statistics - Revised value of Nov 2022
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 Jan-Mar 2023 quarter, CPI for Nov 2022 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.

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



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