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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-271/NPGCL-2014/3309-13

February 22, 2023


Subject: Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for Northern Power Generation Co. Ltd. (NPGCL) for its Nandipur Power Plant for January-March 2023 Quarter (Case No. NEPRA/TRF-271/NPGCL-2014)

Dear Sir,

Please find enclosed herewith subject decision of the Authority along with revised tariff components (Annex-I) (02 pages) regarding quarterly indexation/adjustment of tariff of Northern Power Generation Company Ltd. for its Nandipur Power Plant for the January-March 2023 quarter on account of US CPI, CPI Local and Exchange Rate variation in Case No. NEPRA/TRF-271/NPGCL-2014.

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),
Government of Pakistan
'A' Block, Pak Secretariat,
Islamabad.

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, Northern Power Generation Co. Ltd. (NPGCL) Thermal Power Station, Mahmood Kot Road. Muzaffar Garh

DECISION OF THE AUTHORITY IN THE MATTER OF QUARTELY INDEXATION/ADJUSTMENT OF TARIFF FOR NORTHERN POWER GENERATION COMPANY LIMITED (NPGCL) FOR ITS NANDIPUR POWER PLANT FOR JANUARY TO MARCH 2023 QUARTER.

Pursuant to the Authority's decision dated January 27, 2016 notified vide S.R.O No. 634(I)/2017 dated July 10, 2017 and Authority's decision dated April 11, 2022, notified vide S.R.O. No 743(I)/202 on May 27, 2022 for NPGCL's combined cycle power plant at Nandipur Gujranwala, indexation/adjustment for January to March 2023 quarter has been made in the tariff components on account of US CPI, CPI Local and Exchange Rate variation in accordance with the requisite indexation/adjustment mechanism stipulated in the decision of the Authority. The revised components are indicated hereunder shall be immediately applicable:

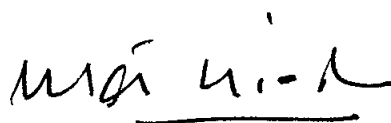
Tariff Components	Reference Apr 11, 2022	Revised Jan to Mar 2023 Quarter
Capacity Charge (Rs./KW/hour)		
Fixed O&M - Foreign	0.1276	0.3544
Fixed O&M - Local	0.1369	0.1854
Total	0.2645	0.5398
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.2099	0.5829
Variable O&M - Local	0.0049	0.0066
Total	0.2148	0.5895

Indexation allowed to NPGCL-Nandipur is purely on provisional basis till finalization of its COD tariff by the Authority and shall be subject to adjustment, if necessary, in the light of final decision of the Authority.

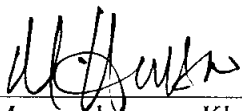
The revised tariff components of NPGCL-Nandipur attached as **Annex-I** are to be notified in the official gazette, in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

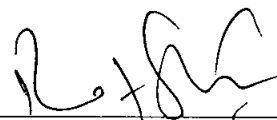
AUTHORITY



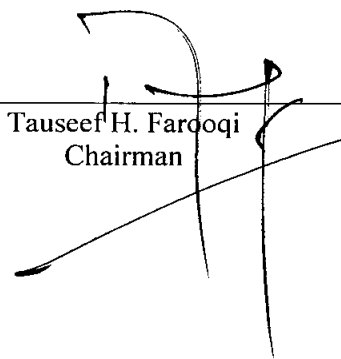
Mathar Niaz Rana (nsc)
Member



Engr. Maqsood Anwar Khan
Member



Engr. Rafique Ahmed Shaikh
Member



Tauseef H. Fardooqi
Chairman



22/02/23

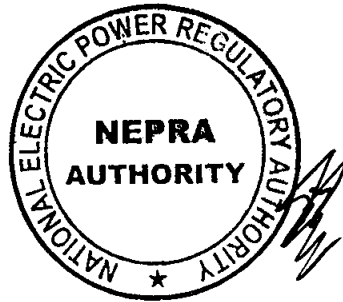
Northern Power Generation Company Limited
Nandipur (RLNG/Gas Based)
Quarterly Indexation/ Adjustment of Tariff

Tariff Components	Reference Apr 11, 2022	Revised Jan to Mar 2023 Quarter	Indexation
Capacity Charge (Rs./kW/h)			
Fixed O&M - Foreign	0.1276	0.3544	US CPI & Rs./US\$
Fixed O&M - Local	0.1369	0.1854	CPI
Total	0.2645	0.5398	
Energy Purchase Price (Rs./KWh)			
Variable O&M - Foreign	0.2099	0.5829	US CPI & Rs./US\$
Variable O&M - Local	0.0049	0.0066	CPI
Total	0.2148	0.5895	
Indexation Values:			Source
Exchange Rate (Rs./USD)	103.00	226.900	NBP - Revised rate of Dec 30, 2022
US CPI (All Urban Consumers)	236.15	297.711	U.S. Bureau of Labor Statistics - Revised value of Nov 2022
CPI (General) - Local	198.80	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 Northern Power Generation Company Limited (Nandipur) and verified by NEPRA.



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