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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/DG(Trf)/TRF-169/ZEPL-2011/ 20875-79

August 09, 2023

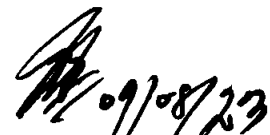
Subject: **Decision of the Authority in the Matter of Quarterly Indexation/Adjustment of Tariff for Zorlu Enerji Pakistan Ltd. (Case No. NEPRA/TRF-169/ZEPL-2011)**

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 Zorlu Enerji Pakistan Ltd. for the quarter **July to September 2023** on account of US CPI, CPI (General), Exchange Rate variations in Case No. NEPRA/TRF-169/ZEPL-2011.

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 Kanjha)

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. Country Manager, Zorlu Enerji Pakistan Ltd., C-117, Clifton Block-2, Karachi.



**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/
ADJUSTMENT OF TARIFF FOR ZORLU ENERJI PAKISTAN LIMITED**

Pursuant to the Decisions of the Authority dated February 20, 2015 in the matter of tariff adjustment of Zorlu Enerji Pakistan Limited (ZEPL) at commercial operation date (COD), Motion for Leave for Review dated December 1, 2015 against the COD Decision and corrigendum dated December 31, 2015, the tariff components of ZEPL in respect of quarter Jul-Sep, 2023 have been revised on account of US CPI, CPI (General), exchange rate variations in accordance with the requisite indexation/adjustment mechanism stipulated in the above referred decision(s) of the Authority indicated in Annex-I.

2. 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.
3. CPPA-G to ensure that all the payments are consistent with tariff determination.

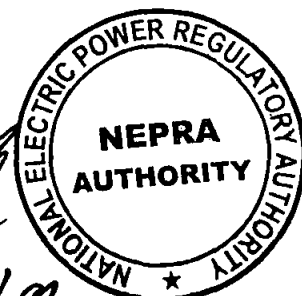
AUTHORITY

(Mathar Niaz Rana (nsc))
Member

(Engr. Maqsood Anwar Khan)
Member

(Rafique Ahmed Shaikh)
Member

(Amina Ahmed)
Member

(Tauseef H. Farooqi)
Chairman

Zorlu Enerji Pakistan Limited
Quarterly Indexation/Adjustment of Tariff

Tariff Component	Reference Tariff	Revised Tariff	Indexation
Date of decisions	Feb 20, 2015 Dec 01, 2015 Dec 31, 2015	Jul-Sep 2023	
	(Rs./kWh)		
Variable O & M- Foreign	0.0054	0.0201	US CPI & Rs./US \$
Fixed O&M-Local	0.8758	1.3106	CPI
Fixed O&M-Foreign	0.4449	1.6521	US CPI & Rs./US \$
Return on Equity	4.2751	12.1885	Rs./US \$
Return on Equity during Construction	1.1042	3.1481	Rs./US \$
Total	6.7054	18.3194	
Indexation Values			Sources
CPI (General)	179.94	269.270	Pakistan Bureau of Statistics
US CPI	233.50	304.127	Bureau of Labor Statistics
Exchange Rate	100.70	287.10	NBP

Above indexation is on the basis of the information provided by ZEPL and verified by NEPRA.

For the purpose of indexation of Fixed O&M (Local) component 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.

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

As per relevant provision of the EPA, 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 notification of the Authority's decision of revised index.

