



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-490/AWPPL-2019/61-65

January 02, 2026

Subject: Decision of the National Electric Power Regulatory Authority in the matter of tariff Adjustment at Commercial Operations Date of Artistic Wind Power (Pvt.) Limited

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority alongwith **Annex-I, II & III** (total 33 pages) regarding tariff Adjustment at Commercial Operations Date of Artistic Wind Power (Pvt.) Limited in Case No. NEPRA/TRF-490/AWPPL-2019.

2. The Decision is being intimated to the Federal Government for the purpose of notification in the official Gazette pursuant to Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 within 30 Calendar days from the intimation of this Decision. In the event the Federal Government fails to notify the subject tariff Decision within the time period specified in Section 31(7), then the Authority shall notify the same in the official Gazette pursuant to Section 31(7) of NEPRA Act.

Enclosure: As above

  
(Wasim Anwar Bhinder)

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

Copy to:

1. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad
2. Mr. Shehriyar Abbasi, Deputy Secretary, Cabinet Division, Cabinet 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, Artistic Wind Power (Pvt.) Ltd. Plot No. 3/A, M.A.C.H.S., Main Shahrah-e-Faisal, Karsaz, Karachi



**DECISION OF THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY IN THE MATTER OF  
TARIFF ADJUSTMENT AT COMMERCIAL OPERATIONS DATE OF ARTISTIC WIND POWER (PVT.)  
LIMITED**

**Introduction:**

1. Artistic Wind Power (Pvt.) Limited ("AWPPL" or "the petitioner" or "the company") is private limited company incorporated for the purpose of developing a 50 MW wind power project ("the Project"). The National Electric Power Regulatory Authority ("NEPRA" or "the Authority") granted a Generation License to the company on March 28, 2017 which was subsequently modified vide Authority's decision dated July 15, 2020.
2. The Authority determined the tariff of AWPPL vide its decision dated November 19, 2018 wherein a levelized tariff of PKR 5.6655/kWh (US Cents 4.7212/kWh) was approved. Thereafter, the Authority decided the tariff modification petition filed by AWPPL vide its decision on July 23, 2020. Subsequently, the Authority also issued decision dated May 17, 2021 on the motion for leave for review filed by AWPPL against the tariff modification decision.
3. For the sake of brevity and convenience, the aforesaid decisions, whether referred collectively or individually, shall hereinafter be referred to as "Tariff Determination", unless the context requires otherwise.

**Adjustment of Tariff at Commercial Operations Date**

4. The following mechanism was approved in the Tariff Determination for the adjustment of tariff at the Commercial Operations Date ("COD") of the company:
  - The EPC cost shall be adjusted at actual, subject to the approved amount as the maximum limit. The applicable foreign portion of the EPC cost will be adjusted at COD on account of variation in PKR/USD parity, on production of authentic documentary evidence to the satisfaction of the Authority. The adjustment in approved EPC cost shall be made only for the currency fluctuation against the reference parity values.
  - The petitioner has to submit M/s DNV-GL certification No. TC-DNVGL-SE-0074-00766-0 dated August 16, 2016 about the design, specification and country of origin of various component of the wind turbine to be installed for this project. At the time of COD stage tariff adjustments, the petitioner will have to provide a confirmation from the EPC contractor as to the fullest compliance of the equipment having same design and origin of manufacture as given in the type certificate. Where needed, the bill of lading and other support documents will also have to be submitted.
  - PDC, Insurance during construction and Financing Fee and Charges shall be adjusted at actual at the time of COD considering the approved amount as the maximum limit. The amounts allowed on these accounts in USD will be converted in PKR using the reference PKR/USD rate of 120 to calculate the maximum limit of the amount to be allowed at COD.

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- Duties and/or taxes, not being of refundable nature, relating to the construction period directly imposed on the company up to COD will be allowed at actual upon production of verifiable documentary evidence to the satisfaction of the Authority.
  - IDC will be recomputed at COD on the basis of actual timing of debt draw downs (for the overall debt allowed by the Authority at COD) for the project construction period of fifteen months allowed by the Authority. For full/part of conventional local or foreign loans or a mix of both, if availed by the company, the IDC shall also be allowed adjustment for change in applicable KIBOR/LIBOR.
  - The tariff has been determined on debt:equity ratio of 80:20. The tariff shall be adjusted on actual debt:equity mix at the time of COD, subject to equity share of not more than 20%. For equity share of more than 20%, allowed IRR shall be neutralized for the additional cost of debt:equity ratio.
  - The reference tariff has been worked out on the basis of cost of 6% offered under SBP financing scheme. In case cost negotiated by the company under SBP scheme is less than the said limit of 6%, the savings in that cost shall be shared between the power purchaser and the power producer in the ratio of 60:40 respectively. For full or part of local or foreign loan, if any, the savings in the approved spreads shall be shared between the power purchaser and power producer in the ratio of 60:40.
  - ROEDC will be adjusted at COD on the basis of actual equity injections (within the overall equity allowed by the Authority at COD) for the project construction period of fifteen months allowed by the Authority.
5. The Authority, vide its tariff review decision dated May 17, 2021, change the adjustment clause w.r.t O&M component of tariff which is reproduced below:
- The O&M cost, its mix, and the corresponding mechanism thereof as approved in the Tariff Determination of AWPPL shall be applicable for the period during which the Petitioner has already finalized the WP and LT O&M Agreements, i.e. 13 years. During this time, however, the Petitioner shall be required to submit, on an annual basis, the documentary evidence/report pertaining to actual expenditures on account of O&M. The savings, if any, in the actual O&M cost compared to the approved O&M cost shall completely be passed on to the consumers.
  - Subsequent to the lapse of the LT O&M Contract, in order to claim O&M costs, the Petitioner shall be required to carry out competitive bidding for the selection of the O&M contractor in accordance with NEPRA's applicable law. Based on this competitive bidding process, the Authority shall make revisions in the O&M cost, while capping the prevailing level of the approved O&M cost. Those revisions may also entail changing the mix of the approved O&M cost (local and foreign) as well as the indexation mechanism (indices, frequency etc.).

**Filing of Tariff Adjustment Request at COD**

6. AWPPL submitted that the company has successfully achieved COD with effect from February 16, 2022 at 00:00 Hrs. In this regard thereof, AWPPL furnished the Notification of COD issued

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by Central Power Purchasing Agency (Guarantee) Ltd. ("CPPAG") vide letter No.CPPA-G/CTO/DGMT(R)/MT(B&W)/AWPPL/4399-10 dated March 1, 2022.

7. Subsequently, the company vide letter No. 7002-L-AWPPL-NEPRA-00810 dated January 16, 2023 submitted an application for adjustment/true-up of tariff at COD with supporting documents. The Company requested to adjustment of the relevant tariff components in line with the parameters and mechanism prescribed in the Tariff Determination.
8. It was noted that the information submitted by AWPPL along with its tariff adjustment application was incomplete. Consequently, the company was required, on multiple occasion, to furnish the requisite information through emails and telephonic communications. Subsequently, AWPPL submitted an addendum vide letter dated May 29, 2023, inter alia enclosing evidence regarding outstanding payment to EPC contractor. AWPPL also submitted an Undertaking for Correctness of Information, affirming that all information and data provided were true, accurate, complete and that no material had been concealed or misstated. The last set of information in the matter has been received on December 17, 2025.
9. Presented below is a summary of project cost allowed by the Authority in the Tariff Determination and as claimed by AWPPL:

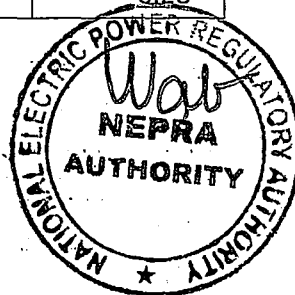
Project Cost Heads	Determined		Claimed at COD	
	USD Million	PKR Million	USD Million	PKR Million
EPC Cost	57.04	6,844.68	57.04	9,314.89
EPC Contractor Claims	-	-	6.21	1,095.01
Duties and Taxes	-	-	0.57	90.10
Project Development Cost	2.50	300.00	2.10	305.84
Insurance during construction	0.29	34.20	0.28	45.00
Financing Fee and Charges	1.20	143.52	1.79	287.98
Interest during Construction-net	1.93	231.84	1.98	347.14
<b>Total Project Cost</b>	<b>62.95</b>	<b>7,554.24</b>	<b>69.98</b>	<b>11,485.96</b>

#### Audit of Project Cost:

10. AWPPL submitted Audit Report of Muniff Ziauddin & Co. dated April 19, 2023. In the said Audit Report, the project cost as verified by the Auditors is given below:

Description	USD Million
EPC Cost	57.04
EPC Contractor claims	6.21
Duties and Taxes	0.57
Project Development Cost and Non-EPC cost	2.10
Insurance during construction	0.28

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Financing Fee and Charges	1.79
Interest during Construction	1.98
<b>Total Project Cost</b>	<b>69.98</b>

**Force Majeure and Construction Period:**

11. The Tariff Determination stipulated that the *"the targeted maximum construction period after financial close is fifteen months. No adjustment will be allowed in this tariff to account for financial impact of any delay in project construction. However, the failure of the company to complete construction within fifteen months will not invalidate the tariff granted to it."*
12. In its tariff adjustment application and during subsequent proceedings, AWPPL submitted that following the issuance of the Tariff Determination, it obtained the Letter of Support ("LOS") from the Alternative Energy Development Board ("AEDB") on November 08, 2019, executed the Energy Purchase Agreement ("EPA") with CPPA-G on November 11, 2019, and signed the Implementation Agreement ("IA") with the Government of Pakistan on November 12, 2019. Consequently, AWPPL achieved Financial Close on November 18, 2019. As per the EPA, the Required Commercial Operations Date ("RCOD") was defined as fifteen (15) months from the construction start date, which in the instant case works out as October 20, 2021. However, AWPPL achieved actual COD on February 16, 2022.
13. AWPPL requested approval of an extended construction period of approximately nineteen (19) months, commencing from the construction start date of July 20, 2020 until actual COD on February 16, 2022, as against the construction period of fifteen (15) months allowed under the Tariff Determination. The Petitioner submitted that the delay in achieving COD was due to COVID-19 pandemic and completion of purchaser interconnection facilities.
14. In support of its claim, AWPPL submitted that due to Covid-19 the purchaser's obligations relating to completion of interconnection facilities were adversely affected resulting delay in supply chain, testing delay, equipment and employee movement restrictions, health and safety of workers, etc. AWPPL further stated that the EPC contractors were unable to perform/commence construction activities due to restriction on travel from China and closure of offices in China during the pandemic. In this regard, National Transmission and Despatch Company Limited ("NTDCL" now "NGC") issued FME notices to CPPA-G on February 6, 2020 and March 17, 2020. Subsequently, CPPA-G on March 25, 2020 acknowledged the COVID-19 delays as an FME. CPPAG vide letter dated March 27, 2020 issued a notice of Other Force Majeure Event ("OFME") to AWPPL due to a complete halt of purchaser interconnection works. CPPA-G later issued a cessation notice dated October 26, 2020, declaring that the OFME had ceased with effect from September 30, 2020 and that interconnection works recommenced on October 01, 2020.
15. AWPPL submitted that the OFME period applicable to the purchaser's interconnection works extended from February 06, 2020 to September 30, 2020, for 237 days. As per the EPA, the purchaser's interconnection readiness date was August 31, 2021; however, due to non-availability of interconnection facilities, RCOD was delayed until April 25, 2022. AWPPL claimed that the cumulative impact of COVID-19 and interconnection delays resulted in an overall delay of 208 days. In support thereof, AWPPL submitted a Certificate of Readiness for

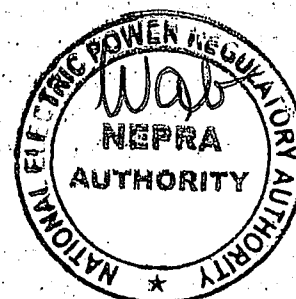
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Energization issued by the Independent Engineer on November 26, 2021 during the processing.

16. In justification of its extended period claims of RCO and associated costs, AWPPL referred the Authority's tariff modification decision of Matiari Lahore Transmission Company (Pvt.) Ltd. ("PMLTCPL") dated September 02, 2021, COD decision of Uch-II Power (Pvt.) Ltd. dated July 3, 2017 and Sapphire Electric Company Ltd ("SECL") review motion decision dated November 23, 2012. Keeping in view aforesaid facts, AWPPL requested to allow extension in RCOD and associated costs up to COD.
17. The Authority has noted that the EPA contains a dedicated chapter governing FME, categorizing them into (i) CLFME (ii) PPFME and (iii) OFME. The Authority observes that compensation for construction delays is only provided under CLFME and PPFME. In case of OFME, while contractual timelines may be extended on a day-for-day basis in accordance with Section 6.5(a) of the EPA, no financial compensation is provided.
18. As far as the cases (Uch-II, Sapphire) are concerned, the Authority is of the view that these cases are distinguishable from the present case and further in recent precedents the Authority has consistently departed from this practice and subscribed to a view that the parties while signing the contracts should take into account the potential risks and the mechanism for the compensation thereof. In the absence of any such compensation on the occurrence of OFME, it is not appropriate to allow any additional cost to the petitioner in this respect. It is pertinent to mention here that in similar case of MGEL, considering the comments of the power purchaser and AEDB the Authority decided to not allow the additional cost on account of OFME/extension in RCOD. In addition, the Authority has noted that the petitioner itself acknowledged that in case of PMLTCPL, the Authority allowed extension in RCOD without allied cost.
19. With regard to the interconnection facilities, the Authority observes that Section 6.5(a) of the EPA obligates the Purchaser to complete the interconnection works and conduct all requisite testing within the prescribed timelines. The said provision further provides that the Seller shall not be entitled to claim any costs, including carrying costs, for delays attributable to the Purchaser in completing the Power Interconnection Facilities (PIFs). The EPA represents mutually agreed rights and obligations of the Power Producer and the Power Purchaser, including the provisions relating to the imposition of liquidated damages (LDs) for failure to achieve agreed contractual milestones. In this context, the Authority noted that audited financial statement for FY 2022-23 of AWPPL stated that neither the power purchaser nor power producer has invoked any LD provisions of the EPA regarding delay in issuance of certificate of readiness and readiness of interconnection facilities. In view of the foregoing facts and established precedents, the Authority finds that the instant request of AWPPL is not justified.
20. The Authority has noted that the Tariff Determination provided 15 months construction period after financial close to AWPPL. CPPA-G declared the cessation of OFME of AWPPL w.e.f. September 30, 2020 and clarified the recommencement of construction works on October 1, 2020. Accordingly, the 15 months construction period comes out from October 1, 2020 till December 31, 2021 as per the Tariff Determination.

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21. In view of the foregoing, the Authority has decided to disallow Interest during Construction ("IDC") and Return on Equity during Construction ("ROEDC") for the OFME period from February 06, 2020 to September 30, 2020, as no compensation is provided for such events under the EPA. Accordingly, the Authority has decided to allow IDC and ROEDC for the construction period of 15 months from October 01, 2020 till revised RCOD of December 31, 2021.

**Adjustment of Engineering Procurement and Construction Cost:**

22. The Authority in the Tariff Determination allowed Engineering Procurement and Construction ("EPC") cost of USD 57.04 million to AWPPL while stating the following mechanism for its adjustment at COD;

*"The EPC cost shall be adjusted at actual considering the approved amount as the maximum limit. Applicable foreign portion of the EPC cost will be adjusted at COD on account of variation in PKR/USD parity, on production of authentic documentary evidence to the satisfaction of the Authority. The adjustment in approved EPC cost shall be made only for the currency fluctuation against the reference parity values."*

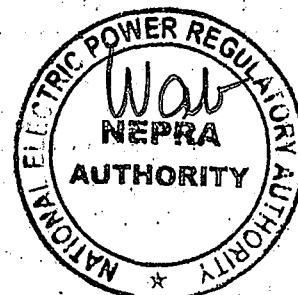
*".....the petitioner will have to provide a confirmation from the EPC contractor as to the fullest compliance of the equipment having same design and origin of manufacture as given in the type certificate. Where needed, the bill of lading and other support documents will also have to be submitted."*

23. In its COD adjustment application, AWPPL claimed EPC cost of USD 57.04 million (PKR 9,314.89 million). The breakup of the claimed EPC cost as approved in the Tariff Determination, claimed by AWPPL and as verified through Audit Report is given hereunder:

Description	Tariff Determination		Claimed at COD		Audit Report
	USD Million	PKR Million	USD Million	PKR Million	USD Million
Offshore EPC	57.04	6,844.68	45.06	7,337.60	45.06
Onshore EPC			11.98	1,977.29	11.98
<b>Total</b>	<b>57.04</b>	<b>6,844.68</b>	<b>57.04</b>	<b>9,314.89</b>	<b>57.04</b>

**Offshore EPC Cost:**

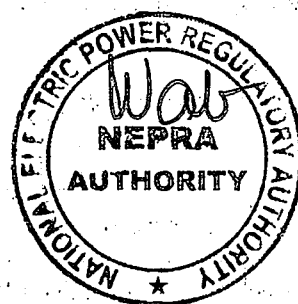
24. In support of its claim for the offshore EPC cost, the Petitioner submitted a copy of the Offshore Supply Contract dated May 27, 2019 executed with M/s Hangzhou Huachen Electric Power Control Company Limited ("HEPCCL") for an amount of USD 45.06 million along with subsequent amendments thereto. The petitioner also provided copies of commercial invoices, ledger, SWIFT payment messages, contractor's compliance certificate, relevant bank statements and National Bank of Pakistan ("NBP") exchange rate sheets. Furthermore, milestone completion certificates issued by Owner's Engineer namely K2 Management and Lenders' Technical Advisor / Owner's Engineer, i.e., DNV-GL and import-related documents



such as Commercial Invoices, Certificates of Origin, Goods Declarations ("GD") and Bills of Lading ("BL"), were submitted for verification where applicable.

25. The petitioner also furnished a Certificate of Compliance issued by HEPCCCL dated December 27, 2022, confirming that the wind turbines installed at the project site are of the same design, specifications, and country of origin as certified under M/s DNV-GL Certification No.TC-DNVGL-SE-0074-00766-3 dated December 04, 2020.
26. The Audit Report provides that the EPC Offshore Contract and schedule of costs prepared by management Company, were obtained and examined. . The auditor compared the amounts paid/payable and the details therein with a copy of the commercial invoice, the milestone completion certificate / engineer certificate, payment instructions, the swift acknowledgement, and the NBP exchange rate sheet / SBP exchange rate sheet (for payments made from United Bank Limited, London) and bank statement, where applicable and reported no difference and duplication was found. The Report further states that the auditor obtained a compliance certificate of contractor giving confirmation that equipment design & origin of manufacturing as is per type certificate and no difference and duplication was found. The Audit Report verified Offshore EPC Cost USD 45.06 million.
27. The Authority noted that under the Offshore Supply Contract, a total price of USD 45.064 million was mutually agreed between the parties, along with a milestone-based payment schedule. As per the said schedule, the cost attributable to equipment supply under various milestones amounts to USD 38.75 million, whereas the remaining amount of USD 6.31 million pertains to completion of the Reliability Run Tests of the Complex and Final delivery confirmation.
28. It is noted that the petitioner claimed bank charges amounting PKR 0.07 million under Offshore EPC cost head. Since such bank charges are related to project development cost head, therefore, the same have not been considered under the Offshore EPC cost.
29. It is further noted that the petitioner made payments towards offshore EPC costs from four different bank accounts – two USD currency accounts maintained with United Bank Limited – United Kingdom, and two PKR proceeds account with Bank al Habib Limited. For these payments, the petitioner applied exchange rates prevailing on the respective payment dates, as obtained from the NBP website, for computation of the corresponding PKR amounts or vice versa.
30. Based on the above, the comparison of offshore EPC cost as claimed by AWPPL, verified by Auditors and allowed by the Authority is given below:

Claimed by AWPPL		Verified by Auditors	Approved	
USD Million	PKR Million	USD Million	USD Million	PKR Million
45.06	7,337.60	45.06	45.06	7,337.18





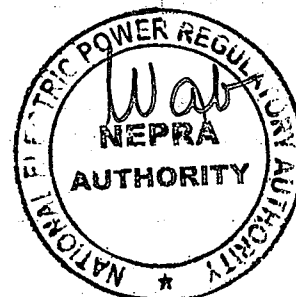
31. The reason of difference of PKR 0.42 million between the costs claimed by AWPPL and approved is that PKR 0.07 million was related to bank charges and PKR 0.34 million to the exchange rate variation.

#### Onshore EPC Cost

32. For the claim of the EPC onshore cost, the petitioner has submitted copy of EPC construction contract dated May 27, 2019 executed with Hydrochina International Engineering Company Limited Pakistan ("HIECL") for USD 11.975 million and subsequent amendments thereon. In addition, AWPPL also submitted copies of sales tax invoices, ledger, withdrawal request, SWIFT messages, relevant bank statements, State Bank of Pakistan ("SBP") weighted average customer exchange rates sheets, milestone completion statement, Withholding Tax ("WHT") Computerized Payment Receipts ("CPR"), Sales Tax CPR, Owner's Engineer i.e. K2 Management milestone completion certificate and taking over certificate etc. for verification.
33. The Audit Report provides that onshore contract and schedule of costs prepared by management Company obtained, and compared the amount paid/payable and the details therein with a copy of commercial invoice, sales tax invoice, swift acknowledgement, SBP Weighted Average Customer Exchange Rate Sheet, milestone completion certificates / engineer certificate, payment instructions, Computerized Payment Receipt ("CPR") for WHT paid to FBR, copy of sales tax invoice, pay order and CPR of Sindh Revenue Board ("SRB") and bank statement, where applicable and no difference and duplication was found. The Audit Report verified Onshore EPC Cost USD 11.975 million.
34. The Authority has noted that out of total agreed onshore EPC contract price of USD 11.975 million, 48.61% payment was paid to the EPC contractor i.e. HIECL and remaining 51.39% was paid to subcontractor i.e. Descon Engineering Ltd. It was further noted that AWPPL made payments against the onshore EPC Contractor and subcontractor through its Bank Al Habib Ltd. PKR proceeds account.
35. As per the terms of the onshore EPC contract, 50% of the contract price was to be converted into equivalent PKR at the exchange rate prevailing on the date of issuance of Notice to Proceed ("NTP") i.e. PKR 167.8374/USD as of July 20, 2020, while the remaining 50% being converted into equivalent PKR at the exchange rate applicable on the date of payment, based on the SBP weighted average exchange rate (sell side). The Authority observed that AWPPL applied the SBP weighted average exchange rate (sell side) as of the invoice date instead of the payment date for conversion of the later 50%.
36. Accordingly, after review and verification of the submitted documents, the comparison of onshore EPC cost, as claimed by AWPPL, verified by the Auditors and allowed by the Authority is given below:

Claimed by AWPPL		Verified by Auditors	Approved	
USD Million	PKR Million	USD Million	USD Million	PKR Million
11.98	1,977.29	11.98	11.98	1,973.58

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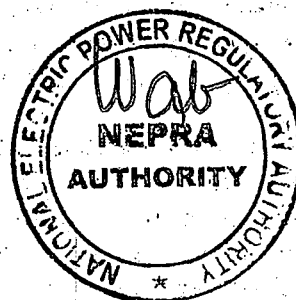
37. The difference of PKR 3.71 million between the EPC onshore costs claimed and allowed is due to four invoices wherein AWPPL applied the SBP weighted average exchange rate (for 50% of the invoice amount) instead of using the rate agreed in the EPC contract.

**EPC Contractor Claims:**

38. AWPPL claimed an amount of USD 6.21 million (PKR 1,095.01 million) on account of EPC contractor claims as part of its COD tariff adjustment request. The Petitioner submitted that based on the overall delay on account of FME (i.e. delay in construction works and delay in provision of Purchaser Interconnection Facilities), the additional costs were borne by the Company. The break-up of EPC contractor cost as claimed by AWPPL and verified by Auditor is provided hereunder:

Description	Claimed by AWPPL		Verified by Auditors
	USD Million	PKR Million	USD Million
Additional cost claimed under equipment supply contract	2.23	392.67	2.23
Additional cost claimed under construction contract	1.96	346.15	1.96
Additional logistic cost claimed under FME	2.02	356.18	2.02
<b>Total</b>	<b>6.21</b>	<b>1,095.01</b>	<b>6.21</b>

39. In support of its claim, AWPPL submitted a detailed summary of each cost item in the COD adjustment request. The claimed cost pertain to additional payment by EPC Contractor on account of international travelling, OEM personnel cost at site, exchange losses, port charges, anti covid-19 cost, local hindrance cost, delay in approval of design & drawing, delay in strong wind speed, project catching-up activities, extension is advance payment guarantee and extra shipping cost, etc. due to covid-19 pandemic.
40. The Audit Report provides that schedule of additional cost claims received from the Construction Contractor and Equipment Supplier on account of overall delays relating to the FME were obtained and compared the amounts demanded with the corresponding notices of supplier's claims, where applicable, and reported that no duplication and discrepancies were observed. The Report further states that the additional cost claims are being reviewed by the Company's technical engineering team. Hence, the same are still unpaid.
41. Upon scrutiny, it was revealed that the claimed amount is not supported with copy of invoice and payment evidence. Further, the Authority noted that as per the Auditor report the payment of claimed cost is still pending. Regarding submission of payment evidence of payable EPC contractor cost and confirmation of LDs received from the EPC contractor in view of delay of COD, AWPPL vide email dated November 20, 2024 confirmed that the Contractor Claims cost of USD 6.21 million have not yet been paid. With regard to LDs, AWPPL submitted that as per timelines stated in EPA, no LDs could be recovered from EPC Contractor.



42. The Authority observed that allowed EPC cost to AWPPL was fixed in tariff determination with only exchange rate variation for the construction period on foreign portion. No upward revision of EPC cost was allowed in the reference generation tariff. The Authority further observed that there was no adjustment mechanism given on this account in reference generation tariff at the time of COD. Accordingly, the claim of AWPPL being not in purview of COD adjustment has been declined.

43. Below is the comparison of total EPC cost claimed by AWPPL and allowed by the Authority:

EPC	Revised Claimed		Verified by Auditors		Allowed	
	USD	PKR	USD	PKR	USD	PKR
	Million					
Offshore	45.06	7,337.60	45.06	-	45.06	7,337.18
Onshore	11.98	1,977.29	11.98	-	11.98	1,973.58
<b>Total</b>	<b>57.04</b>	<b>9,314.89</b>	<b>57.04</b>	<b>-</b>	<b>57.04</b>	<b>9,310.76</b>

#### Adjustment of Duties and Taxes:

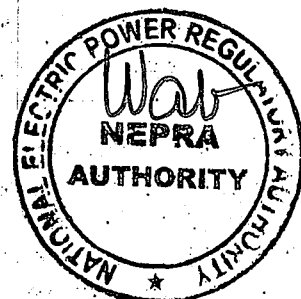
44. The Tariff Determination did not account for the impact of duties and taxes and provides the following with respect to the adjustment of this head:

*"Duties and/or taxes, not being of refundable nature, relating to the construction period directly imposed on the company up to COD will be allowed at actual upon production of verifiable documentary evidence to the satisfaction of the Authority."*

45. AWPPL in its COD tariff application has requested for the duties and taxes of USD 0.57 million (PKR 90.10 million) excluding sales tax on import amounting to PKR 1.19 million. The breakup of which is given hereunder:

Description	Tariff Determination		Claimed by AWPPL		Verified by Auditors
	USD Million	PKR Million	USD Million	PKR Million	USD million
Duties and Taxes	As per actual		0.57	90.10	0.57

46. The Audit Report provides that schedule of Sindh Infrastructure Development Cess ("SIDC") prepared by management was obtained. Then the amounts paid were compared with the details therein with respect to respective Goods Declaration (GD), Bill of Lading (BL), commercial invoice, packing list, Government of Sindh Infrastructure Cess (SIDS) Challan, payment instructions / cheques / pay order (if any), invoice from clearing agent (if any), NBP exchange rate sheet and bank statement, where applicable and no difference and duplication was found. The Audit Report further states that we obtained schedule of stamp duty prepared by management, and compared the amount paid and the details appearing therein with



respect to respective invoice Certificate of stamp duty, NBP exchange rate sheet and bank statement, where applicable and no difference and duplication was found.

47. In support of its claim, AWPPL has submitted copies of relevant Cess Challan, commercial invoices, GDs, BLs, withdrawal request, PSID slip, bank statement, NBP exchange rate sheet, insurance endorsement, etc.
48. While examining the submitted document, it was revealed that AWPPL has claimed pay order charges and IGM de-blocking charges amounting to PKR 0.001 million and PKR 0.10 million respectively. The pay order charges pertain to PDC whereas IGM de-blocking charges are fine imposed on the Company which cannot be considered as prudent cost, therefore, are being disallowed. Further, no payment evidence is provided regarding amount of PKR 0.01 million, therefore, the same is not considered.
49. Keeping in view the above, the Authority has decided to allow USD 0.57 million (PKR 89.99 million) on account of duties and taxes.

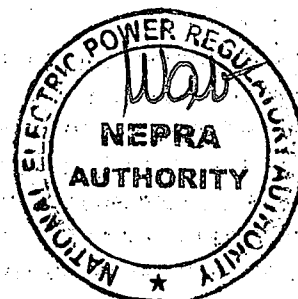
**Adjustment of Project Development Cost:**

50. The Authority in the Tariff Determination allowed USD 2.50 million in respect of the Project Development Cost ("PDC") to AWPPL while stating the following mechanism for its adjustment at COD:

*"PDC...shall be adjusted at actual at the time of COD considering the approved amount as the maximum limit. The amount allowed on this account in USD will be converted in PKR using the reference PKR/USD rate of 120 to calculate the maximum limit of the amount to be allowed at COD."*

51. As per the above mechanism, the maximum amount allowed to AWPPL under PDC head @PKR 120/USD works out to be about PKR 300 million.
52. The petitioner in its COD adjustment request has claimed PDC of PKR 305.84 million, equivalent to about USD 2.10 million along with supporting documents. In support of its claim, the Petitioner submitted relevant supporting documents i.e. invoices, payment evidence, bank statements, including tax challans, relevant NBP exchange rate etc. with its claim.
53. The petitioner submitted that due to higher exchange rate during the construction period, the company filed a modification petition for reconsideration of the exchange rate from PKR 120/USD to PKR 160/USD at the then prevailing exchange rate. According to the AWPPL, the Authority vide decision dated July 23, 2020 decided that "18. the revision/adjustments of tariff on account of debt mix, repayment terms and exchange rate as requested by the Petitioner in the subject modification petition shall be made at the time of COD of the Project." The AWPPL further submitted that during construction and development phase the company was required to engage some services where fees and costs were payable in foreign currency. However, the Authority in its determination stated that the amount allowed under PDC will be converted to PKR using the reference PKR/USD rate of 120 to calculate the maximum limit

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of the amount to be allowed at COD which restricts the Petitioner to recover the legitimate costs incurred under Project Development budget.

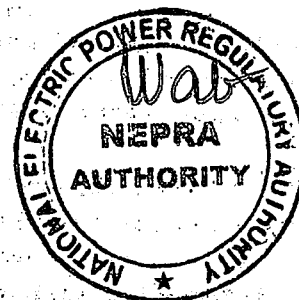
54. The AWPPL further stated that the Authority in the past had allowed variation of PKR/USD exchange rate on PDC heads which are denominated in foreign currency. AWPPL submitted that in view of the above and the extension in RCOD, requested the Authority to allow the actual incurred cost under PDC. AWPPL submitted following detailed breakup of the claimed PDC:

PDC Heads	Claimed	
	PKR	USD
	Million	
Salaries and Benefits	72.61	0.49
Administrative Expenses	31.94	0.20
Advisory Services	55.73	0.39
Government Authorities	44.86	0.32
Land Lease Hold	20.24	0.19
Owner's Engineering Services	68.13	0.44
Travelling and Vehicle Running Expenses	4.92	0.03
Vehicle (Fixed Assets)	7.42	0.05
<b>Total</b>	<b>305.84</b>	<b>2.10</b>

55. The Auditor's Report provides that the company incurred PDC amounting to USD 2.10 million (equivalent to PKR 305.84 million). The Audit report also provides that the schedules of costs prepared by the management were obtained and the amount paid were compared the documents as mentioned under different heads:

- **Technical Studies:** Copy of commercial invoice/sales tax invoice, cheque/payment instruction, CPRs of withholding income tax and withholding sales tax (if any), NBP exchange rate sheet and bank statement, where applicable.
- **Legal and Profession:** Copy of commercial invoice, payment date, cheque/payment instruction/ pay order, CPRs of withholding income tax and withholding sales tax (if any), NBP exchange rate sheet and bank statement, where applicable.
- **Financial Consultant:** Copy of commercial invoice, cheque/payment instruction, pay order, CPRs of withholding income tax and withholding sales tax (if any), NBP exchange rate sheet, copy of sale tax invoice and bank statement, where applicable.
- **Regulatory Authorities:** Copy of commercial invoice, cheque/payment instruction/pay order, CPRs of withholding income tax and withholding sales tax (if any), NBP exchange rate sheet, copy of sale tax invoice, cheque and bank statement, NBP exchange rate sheet, where applicable.
- **Fixed Assets:** Copy of commercial invoice, cheque/payment instruction/pay order, CPRs of withholding income tax and withholding sales tax (if any), NBP exchange rate sheet, with copy of sale tax invoice, and bank statement; where applicable.
- **Other direct Costs:** Copy of invoice/claim expense voucher and the details with respect to payroll sheet, pay order/petty cash voucher, cheque, CPR and bank statement where applicable.
- The Auditor also stated that no difference and duplication was found.

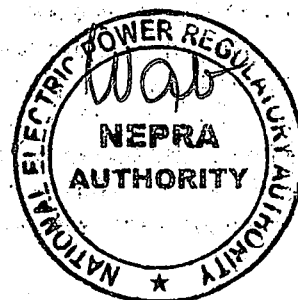
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56. It is pertinent to mention here that petitioner's understanding regarding tariff modification decision dated July 23, 2020 (as referred above) relating to PDC is not correct since the cost allowed under PDC i.e. PKR 300 million was the maximum limit. Hence, no further adjustment in the rupee term was allowed by the Authority in the decision of July 23, 2020. It is pertinent to mention that the Petitioner itself acknowledged the same in its COD adjustment application.
57. The Authority has noted that the company incurred the total cost of PKR 305.84 million. The relevant documents as submitted by the company in relation to the claim of the PDC have been checked. Further, the Auditor also verified the PDC of USD 2.10 million (equivalent to PKR 305.84 million) which is higher than the allowed maximum limit i.e. PKR 300 million in Tariff Determination.
58. In view of the foregoing, the Authority has decided to allow PDC to the extent of maximum limit i.e. PKR 300 million prescribed in the reference tariff which is in line with the similar cases. For the purpose of converting the approved PKR amount in USD, the average exchange rate of PKR 163.21/USD has been taken into account. The said average exchange rate has been computed using three rates of each month, i.e. rate at the start, middle and end of that month as published by NBP on its website for the construction period of 15 months i.e. from October 1, 2020 till December 31, 2021. Accordingly, the corresponding USD amounts works out to be about USD 1.84 million, which is being allowed in the instant case.

#### Adjustment of Insurance during Construction

59. The Authority in the Tariff Determination allowed USD 0.29 million for insurance during construction while stating the following mechanism for its adjustment at COD:
- "...Insurance during construction...shall be adjusted at actual at the time of COD considering the approved amount as the maximum limit. The amounts allowed on these accounts in USD will be converted in PKR using the reference PKR/USD rate of 120 to calculate the maximum limit of the amount to be allowed at COD."*
60. As per the above mechanism, the maximum amount allowed to AWPPL under captioned head @PKR 120/USD works out to be about PKR 34.20 million.
61. The petitioner in its adjustment request has claimed insurance amount of PKR 45.00 million (equivalent to about USD 0.28 million) inclusive of Federal excise duty (FED) and Federal Insurance Fee (FIF) till actual COD. AWPPL submitted that owing to around 4 month delay due to the FME, it had to extend its construction period insurance. The company informed that initially insurance for the shorter extended period of 2.5 months was procured free-of-cost, however, due to the continuing impact of the FME, the further extension was charged by the insurer. Keeping in view the above, the petitioner requested that the increase in insurance cost may be allowed.
62. As per the details submitted by AWPPL, the breakup of the claimed insurance during construction for the insured period is given hereunder:



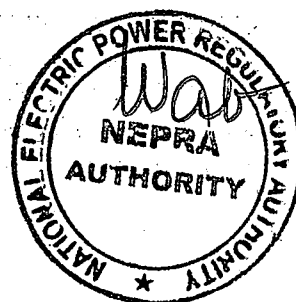
Description/ Insurance Policy No.	Insurer/ Share	Period	Claimed Premium
			PKR (million)
Marine Cargo & Marine delay in start up	Alfalab Insurance Co. Ltd. (70%)	20-07-2020 to 03-01-2022	15.87
		20-07-2020 to 17-02-2022	
Erection all risks, Erection all risk Delay in start up, Third Party Liability (Erection)	Habib Insurance Co. Ltd. (30%)	20-07-2020 to 03-01-2022	25.07
Terrorism (Erection) Insurance		20-07-2020 to 17-02-2022	3.35
Payable			0.71
<b>Total</b>			<b>45.00</b>
PKR/USD exchange rate for paid amount			158.50
PKR/USD exchange rate for payable amount			176.25
<b>Total Premium USD</b>			<b>0.28</b>

63. The Auditors in their Report has also verified the amount of PKR 45.00 million in respect of the insurance cost. The Audit Report provides that financing agreement and schedule of costs prepared by management was obtained and compared the amount paid / payable and the details with respect to insurance policies, insurance policy amount, payment date, Invoices, sales tax invoices, premium bill, Premium Paid Receipts (PPR), NBP exchange rate sheet and bank statement, where applicable and no difference and duplication was found.
64. In support of its claim, the petitioner has submitted copies of Premium Invoices, policy endorsements, ledger, bank withdrawal request, pay order and payment receipt with its request. The petitioner submitted Insurance policies during processing of case. The petitioner did not provide the documentary evidence regarding payable amount of USD 0.71 million. The claim of the petitioner have been checked and found that the claimed amount under insurance during construction is higher than the approved maximum limit.
65. The Authority noted that the insurance cost claimed by the petitioner extends beyond 15 months allowed in the Tariff Determination. Since, the claimed amount of PKR 45.00 million is higher than the allowed amount, therefore, the Authority has decided to restrict the insurance cost to the maximum limit allowed in the tariff determination i.e. PKR 34.20 million which is in line with the similar cases. The corresponding USD amount has been worked out on the basis of the average of the exchange rates prevailing on the respective payment dates. The resultant amount works out to be about USD 0.22 million which is being allowed on account of insurance during construction.

#### Adjustment of Financing Fee and Charges:

66. The Authority in the Tariff Determination had allowed financing fee and charges of USD 1.20 million. The caption head was allowed at the rate of 2.50% of the approved debt in the Tariff Determination. Following mechanism for the adjustment of financing fee and charges at the time of COD was prescribed:

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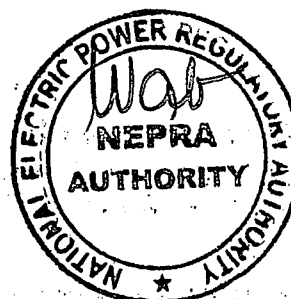


*"....Financing Fee and charges shall be adjusted at actual at the time of COD considering the approved amount as the maximum limit. The amounts allowed on these accounts in USD will be converted in PKR using the reference PKR/USD rate of 120 to calculate the maximum limit of the amount to be allowed at COD."*

67. As per the above mechanism, the maximum amount allowed to AWPPL under this head at the rate of PKR 120/USD works out to be about PKR 143.52 million.
68. The Petitioner in its COD adjustment application has claimed financing fee and charges amounting to PKR 287.98 million (USD 1.79 million). Below is the detailed breakup of financing fee and charges as claimed by the petitioner in terms of local and foreign portion and as verified by the Auditors:

Description	Claim		Verified by Auditors
	USD	PKR	USD
	Million		
Local Financing fee	0.33	53.25	1.79
Foreign Financing fee	0.75	119.32	
Advisors Fee	0.71	115.41	
<b>Total</b>	<b>1.79</b>	<b>287.98</b>	<b>1.79</b>

69. AWPPL submitted that the decision to allow financing fee and charges at the reference exchange rate of PKR 120 was based on the assumption of 100% local SBP financing. As submitted in the Tariff Modification Petition, the SBP financing was available up to maximum of 50% of the total debt requirements, therefore, the company arranged the balance amount in form of foreign financing through International Finance Corporations ("IFC"). Accordingly, the fees and costs under foreign financing were directly linked to exchange rate fluctuations. Furthermore, the local debt assumed in the Tariff Determination is PKR 6.04 billion and Financing Fee and Charges at 2.5% of debt at PKR 143.52 million, therefore, restricting financing fee and charges at maximum of applying reference exchange rate of PKR 120 on USD values is not justified. AWPPL further stated that the increase in Financing Fee and Charges from allowed limit of USD 1.20 million to actual incurred USD 1.79 million is due to extended construction period and the increase may be allowed.
70. The Audit Report provides following for financing fee and charges:
- Local Financing Cost:** Copy of financing agreement and schedule of costs prepared by management were obtained and the amount paid and the details appearing therein with respect to commercial invoice, cheques / payment instructions and bank statement, where applicable.
  - Foreign Financing Cost:** Copy of financing agreement and schedule of costs prepared by management were obtained and the amount paid and the details appearing therein with respect to commercial invoice, payment instruction, swift acknowledgement, the exchange rate approval email (USD to PKR) (for payments made from Bank Al-Habib,





Karachi), and the NBP exchange rate sheet / SBP exchange rate sheet (for payments made from United Bank Limited, London) and bank statement, where applicable.

- **Advisors Fee:** Copy of local & foreign advisors' agreement and schedule of costs prepared by management were obtained and the amount paid/payable and the details appearing therein with respect to commercial invoice, NBP exchange rate sheet, swift acknowledgement, cheque payment instruction, (if any), FBR Computerized Payment Receipt (CPR), if any where WHT paid, and bank statement, where applicable.
- **Commitment Fee:** Copy of local & foreign advisors' agreement and schedule of costs prepared by management were obtained and the amount paid/payable and the details appearing therein with respect to commercial invoice, payment instruction, agreement and bank statement, where applicable.
- The Auditor also stated that no difference and duplication was found

71. In support of its claim, AWPPL submitted copies of financing agreements Lender's Legal and Technical Contracts/agreement, invoices, payment evidences bank statements including tax challans, relevant exchange rate etc.. which were examined by the Authority. It is noted that, although the Authority vide the modification decision issued on July 23, 2020 recognized that the foreign financing be also obtained by AWPPL. However, the term of adjustment of financing fee and charges was not modified. Considering the decision for not allowing additional cost related to extended period, the Authority has decided to allow the expenses under the captioned head to the limit of Tariff Determination, i.e. PKR 143.52 million. The corresponding USD amount has been worked out on the basis of the average of the exchange rates prevailing on the respective payment dates. The resultant amount works out to be about USD 0.90 million which is being allowed on account of financial fee and charges.

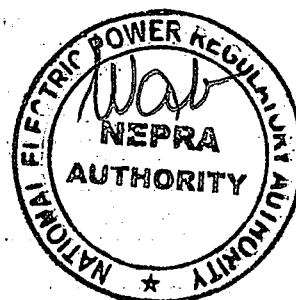
**Adjustment of Debt Amount and Interest during Construction (IDC):**

72. The Tariff Determination was issued on debt to equity ratio of 80:20 while stating that the tariff shall be adjusted on actual debt to equity mix at the time of COD, subject to equity share of not more than 20%. In the COD adjustment application, AWPPL has submitted that the total project cost has been financed by the company as per the following details:

Description	PKR	USD
	Million	
Equity	1,974.70	12.68
Debt Financing:	8,265.06	50.72
SBP-Local	4,101.05	25.52
Commercial-Foreign	4,164.01	25.20
<b>Total Project cost</b>	<b>10,239.76</b>	<b>63.41</b>

73. The Tariff Determination of AWPPL was approved on the basis of 100% SBP concessionary debt refinancing scheme for renewable energy projects issued on June 02, 2016 ("SBP Scheme 2016") with the following provisions:

*[Handwritten signature]*



*"In case the petitioner is not able to secure financing under SBP scheme then the tariff of AWPPL shall be adjusted on conventional local/foreign financing, or a mix of both, at the time of its COD. However, the petitioner shall have to prove through documentary evidence that it exhausted the option of availing financing under SBP scheme before availing part/full of conventional local/foreign loan."*

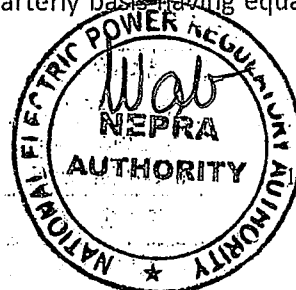
74. The aforesaid refinancing scheme was revised by SBP on July 26, 2019 ("SBP Scheme 2019") and allowed renewable energy projects, having capacity of more than 20 MW, to obtain up to 50% of financing (debt) under the said Scheme. Since the Project is of more than 20 MW capacity, therefore, the petitioner filed Tariff Modification Petition dated September 18, 2019 requesting the Authority to base tariff on a mix of foreign and local financing, on the pretext that not more than 50% financing can be obtained under SBP Scheme 2019. The decision of the Authority on the Modification Petition was issued on July 23, 2020 whereby the Authority decided that the adjustment of tariff on mix of local and foreign financing shall be made at the time of tariff adjustment at COD of the Project.
75. AWPPL submitted that in view of the SBP Scheme 2019 as stated above, the company was only able to secure concessionary finance under the Revised SBP Scheme for the maximum of fifty percent (50%) of its debt requirement. Accordingly, AWPPL had to arrange the balance debt financing in foreign currency from IFC. Stating that AWPPL requested the Authority to adjust the tariff determination and tariff table to reflect the 50:50 financing mix of local and foreign financing, instead of hundred percent (100%) SBP Scheme local financing.
76. On the review of the latest financing documents as submitted by the petitioner, it was noted that following debt commitments were secured by the AWPPL:

Source of debt	Financiers	Debt Commitment
SBP RE Scheme debt	<ul style="list-style-type: none"> <li>Meezan Bank Limited (50%)</li> <li>Bank Al Habib Limited (50%)</li> </ul>	PKR 4,500 million
Commercial Foreign debt (LIBOR)	International Finance Corporation	USD 25.52 million

77. AWPPL submitted that out of total debt financing, 50% was secured in local debt (PKR) and 50% in foreign debt (USD). The amount of debt as claimed by AWPPL and verified by the Auditors is provided as under:

Source of debt	Claimed by AWPPL		Verified by Auditors
	Amount in USD (Million)	Amount in PKR (Million)	Amount in PKR (Million)
SBP RE Scheme debt-Local	25.52	4,101.05	4,101.05
Commercial Foreign debt	25.20	4,164.01	4,164.01
<b>Total</b>	<b>50.72</b>	<b>8,265.06</b>	<b>8,265.06</b>

78. It is noted that the SBP loan has been secured by the company for 10 years repayment period at the cost of 5.00% (5.40% inclusive of savings) to be paid on quarterly basis having equal



principal instalments. The foreign loan has been obtained by the company for 13 years repayment period at the Cost of LIBOR + 4.25% to be paid on quarterly basis having certain fixed percentage of principal repayments.

79. The Audit Report provides that schedule of debt drawdown prepared by management were obtained and compared the amount received and the details with respect to receipt date and amount with Lender Technical Advisor (LTA) certificates and with the copy of bank statements, swift messages for loan receipt, and NBP exchange rate sheet, where applicable and no difference and duplication was found.
80. AWPPL has submitted copies of financing agreements, copies of bank statements in which debt drawdown were credited, NBP rate sheets and audited accounts for the construction period. The submission of AWPPL have been checked with source document. For calculating the debt mix, the foreign and local currency loan was converted to PKR using the PKR/USD exchange rate prevailing on the date of disbursement. The final position and terms of different loans, as obtained by AWPPL and approved in this decision, is provided below:

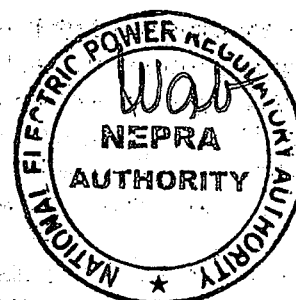
Debt Sources	Amount in USD (Million)	Amount in PKR (Million)	%age of debt in USD term	Interest Rate	Repayment Period
SBP RE Scheme	25.51	4,101.05	50.30%	<ul style="list-style-type: none"> <li>Rate before refinancing is KIBOR+2%</li> <li>SBP Refinancing rate is 5.00%+0.4% saving</li> </ul>	10 years
Commercial Foreign loan	25.20	4,149.34	49.70%	3 month LIBOR + 4.25%	13 years
<b>Total</b>	<b>50.71</b>	<b>8,250.39</b>	<b>100%</b>		

81. The detail of debt to equity ratio is as under:

Source of Funds	USD Terms	PKR Terms
Debt	80%	80.69%
Equity	20%	19.31%

82. The Authority in Tariff Determination allowed debt:equity ratio of 80:20 whereas the equity beyond 20% was considered to be neutralized with the notional debt. In the instant case, the actual equity share works out as 20% (dollar term) which is within the maximum approved limit i.e. not more than 20%. The actual debt works out as 80%. Accordingly, the COD tariff has been worked out on the basis of debt equity ratio of 80:20. Further, the actual foreign:SBP debt composition of 49.70%:50.30% has been maintained in line with similar cases.
83. In the Tariff Determination, the IDC of USD 1.93 million (PKR 231.84 million) was approved. The said amount of IDC was computed on the basis of 100% SBP refinancing scheme at 6% interest rate using certain percentage of drawdowns for the construction period of 15 months. The Tariff Determination provides the following mechanism with respect to adjustment of IDC at the time of COD:

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"IDC will be recomputed at the time of COD on the basis of actual timing of debt drawdowns (for the overall debt allowed by the Authority at COD) for the project construction period of fifteen months allowed by the Authority."

"The reference tariff has been worked out on the basis of cost of 6% offered under SBP financing scheme. In case cost negotiated by the company under SBP scheme is less than the said limit of 6%, the savings in that cost shall be shared between the power purchaser and the power producer in the ratio of 60:40 respectively."

"In case the company shall secure full or part of local conventional loan then the tariff of company shall be adjusted at the time of COD at applicable KIBOR + spread of 2.25%. The savings in the approved spreads during the loan tenor shall be shared between the power purchaser and power producer in the ratio of 60:40. The tenor of the debt servicing shall not be less than thirteen years for this loan."

"In case the company shall secure full or part of foreign conventional loan then the tariff of company shall be adjusted at the time of COD at applicable LIBOR + spread of 4.25%. The savings in the approved spreads during the loan tenor shall be shared between the power purchaser and power producer in the ratio of 60:40. The tenor of the debt servicing shall not be less than thirteen years for this loan."

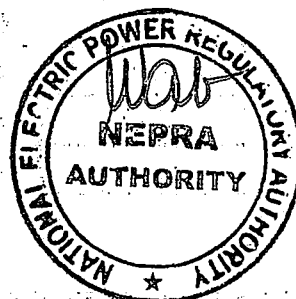
"In case the company shall secure foreign loan under any credit insurance (Sinosure etc.) then the cost of that insurance shall be allowed to the maximum limit of 0.6% of the yearly outstanding principal and interest amounts. For that purpose, the spread over that full/part of loan shall be considered as 3.5% as the maximum limit. The savings in the spread during the loan tenor shall be shared between the power purchaser and power producer in the ratio of 60:40."

84. AWPPL in its COD tariff application has requested for IDC based on actual debt drawdown for the actual construction period of around 19 months. Below are the details of IDC as claimed by AWPPL and as verified by Auditors:

Description	Claimed by AWPPL		Verified by Auditors
	USD Million	PKR Million	USD Million
SBP RE scheme	1.46	256.68	1.46
Commercial Foreign Loan	0.55	96.38	0.55
*Interest income	(0.03)	(5.91)	(0.03)
<b>Net IDC</b>	<b>1.98</b>	<b>347.14</b>	<b>1.98</b>

85. Audit report provides following for IDC:

- Local IDC: Copy of financing agreement and schedule of costs prepared by management were obtained and compared the amount paid and the details with respect to invoice, payment instruction, SBP Refinancing Scheme, financing agreement, drawdowns, NBP exchange rate sheet and bank statement, where applicable and no difference and



duplication was found. In this regard we draw attention towards footnote of Annexure A whereof NEPRA has allowed interest cost up to 6.00%, however the company has achieved loan at 5.00% interest. As per NEPRA tariff determination the company is allowed to claim 40% of interest cost saved (i.e.,  $1.00\% \times 40\% = 0.40\%$ ). Therefore, the company is claiming 5.40% ( $5.00\% + 0.40\%$ ). Therefore, verified the 5.00% interest portion.

- Foreign IDC: Copy of financing agreement and schedule of costs prepared by management were obtained, and compared the amount paid and the details with respect to invoice, payment instruction, swift acknowledgement, LIBOR historical rate report, NBP exchange rate sheet and bank statement, where applicable and no difference and duplication was found.
86. AWPPL in support of the claim has submitted copies of financing agreement, interest payment invoices, bank statement, exchange rate sheets, KIBOR rate sheet, swift acknowledgement, bank debit advice, LIBOR rates, where applicable have been checked. In addition, as per the sharing mechanism provided in the Tariff Determination the calculation of saving in SBP loan (i.e. 1.00%) as a result of sharing of spread in a ratio of 60:40 (Purchaser: Producer) has also been checked and considered.
87. It was observed that the interest amount in respect of SBP loan was paid at KIBOR +2.00% till refinanced rate of 5.00%. The amount of PKR has been converted in USD using the rate prevailing on the date of the interest payment, as obtained from NBP's website. Likewise, the amount of interest amount paid in USD has been converted in PKR using the above said mechanism.
88. Based on the documentary evidence submitted by the company, the interest payments made by the company as verified on account of local and foreign debt for the construction period from October 1, 2020 till revised RCOD i.e. December, 2021 excluding OFME period of 237 days and beyond revised RCOD and as per similar cases is given hereunder:

IDC	Total Drawdowns	Interest Rate	Interest Amount	
			USD in million	PKR in million
<b>Local Loan:</b>	<b>PKR in million</b>			
SBP RE scheme	4,101.05	<ul style="list-style-type: none"> <li>• Rate before refinancing is KIBOR+2.00%</li> <li>• SBP Refinancing rate is <math>5.00\% + 0.40\%</math> saving</li> </ul>	1.24	206.23
<b>Foreign Loan:</b>	<b>USD in million</b>			
Commercial Foreign loan	25.20	• LIBOR+4.25%	0.41	70.95
<b>Total Interest payment</b>			<b>1.65</b>	<b>277.18</b>

89. The Authority has already decided to allow a construction period of 15 months, restricted up to December 31, 2021. Accordingly, the amount of IDC to be allowed to the petitioner has also been calculated from October 1, 2020 till December 31, 2021 excluding OFME period of

237 days and any period beyond revised RCOD period, which has been computed using the following steps:

- The amount of IDC calculated based on actual drawdowns has been added in the capital cost+ financing fee as assessed in this report to arrive at the verified project cost.
- The amount of verified project cost was then segregated between debt and equity in the ratio of 80:20 as was approved in the Tariff Determination
- That amount of foreign and local debt was then sub-divided into their actual financing portion.
- The percentage of each loan as actually disbursed till COD was applied on the verified debt amount.
- The IDC was then recomputed on the portion of debt amounts which is disbursed till revised COD using the actual schedule of drawdowns.

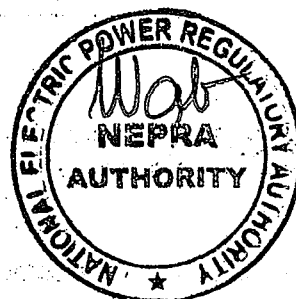
#### Adjustment of Interest Income

- The petitioner has claimed interest income amounting to USD 0.04 million (PKR 5.97 million) from December 2020 till January 2022. The same amount has been verified by the Auditor in its Audit report. AWPPL in support of its claim submitted the relevant documentary evidence.
- Upon verification the submitted information, the Authority noted that total interest income after adjustment the WHT has been works out as PKR 7.12 million (USD 0.04 million) for the allowed construction period and the same is being allowed.
- Accordingly, the detail regarding allowed IDC is as under:

Description	Approved IDC	
	USD	PKR
	Million	
SBP Loan	1.24	205.49
Commercial Foreign loan	0.40	69.62
Less: Interest income	(0.04)	(7.12)
<b>Net IDC</b>	<b>1.59</b>	<b>267.99</b>

#### Equity:

- The petitioner injected equity amount of PKR 1,974.70 million (USD 12.68 million) which was disbursed during the period from February 2016 to July 2021. The whole equity amount is received from M/s. Artistic Milliners (Pvt.) Ltd.
- In support of its claim, AWPPL submitted BOD resolution dated May 30, 2022, audited financial statement FY 2021-22, SECP Form 3, CDC share reconciliation report dated July 26, 2022, CDC share issuance confirmation letter dated June 17, 2022 and EY Ford Rhodes Chartered Accountants certificate dated June 14, 2022. The above stated equity were injected by the company before the revised RCOD i.e. December 31, 2021.



95. The Authority observed that AWPPL has claimed equity PKR 0.10 million disbursed (1<sup>st</sup> disbursement) which was not accounted for in the audited financial statement ending June 30, 2022, therefore, this amount is not considered as equity.
96. It was observed that the equity amount was injected from February 2016 to July 2021. The equity inject before construction start date has been converted at USD 166.10/PKR on first day of construction i.e. October 1, 2020. Accordingly, the claimed equity amount of PKR 1,974.60 million has been works out as USD 12.37 million.

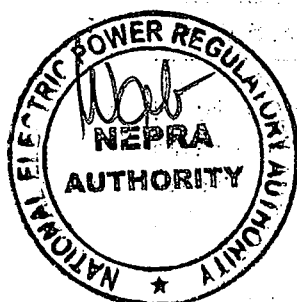
#### Summary of the Project Cost

97. Recapitulating above, the project cost determined in the Tariff Determination, claimed in the tariff adjustment application, verified in the Audit Report and allowed by the Authority is provided as under:

Description	Determined		Claimed (Revised)		Auditors	Approved	
	USD	PKR	USD	PKR	USD	USD	PKR
	Million						
Total EPC Cost	57.04	6,844.68	57.04	9,314.89	57.04	57.04	9,310.76
EPC Contractor Claims	-	-	6.21	1,095.01	6.21	-	-
Duties and Taxes	-	-	0.57	90.10	0.57	0.57	89.99
Project Development Cost	2.50	300.00	2.10	305.84	2.10	1.84	300.00
Insurance during construction	0.29	34.20	0.28	45.00	0.28	0.22	34.20
Financing Fee and Charges	1.20	143.52	1.79	287.98	1.79	0.90	143.52
Interest during Construction	1.93	231.84	2.01	353.06	2.01	1.64	275.11
Interest Income	-	-	(0.04)	(5.97)	(0.03)	(0.04)	(7.12)
<b>Total Project Cost</b>	<b>62.95</b>	<b>7,554.24</b>	<b>69.97</b>	<b>11,485.91</b>	<b>69.98</b>	<b>62.16</b>	<b>10,146.46</b>

98. Based on the above project cost, following table shows the amount of different debts which have been used to compute the debt servicing component of the tariff being approved in this decision:

Loans	USD	PKR
	Million	
SBP loan	25.01	4,083.34
Foreign loan	24.71	4,033.83
<b>Total</b>	<b>49.73</b>	<b>8,117.17</b>



**Adjustment of Equity Amount, ROE and ROEDC:**

99. AWPPL requested to allow ROEDC PKR 0.2752/kWh on the basis of equity amounting PKR 1,974.70 million (USD 12.68 million) injected for the construction start date of February 15, 2016 till actual COD i.e. February 16, 2022 including OFME period. The detail in this regard has been discussed in preceding paragraph.
100. The Authority observed that construction period was allowed for 15 months started from October 1, 2020 to December 31, 2021. Based on the equity injection as discussed in the preceding paragraph, the assessed ROEDC works out to be USD 1.41 million. The variance of USD 0.38 million is due to the reason that the AWPPL has claimed ROEDC till actual COD including OFME period whereas assessed working ROEDC is based on calculated till revised RCOD i.e. December 31, 2021 excluding the OFME period.
101. Using the PMT formula, the ROEDC component works out to be PKR 0.2058/kWh (using exchange rate of PKR 177.95/USD as on 31st December, 2021). The amount of annual ROE, using rate of 14%, at approved equity amount of USD 12.37 million comes out as USD 1.41 million. Accordingly, the ROE component works out to be PKR 1.7510/kWh (using exchange rate of PKR 177.95/USD as on 31st December, 2021).
102. It is important to mention here that the equity IRR of 14% per annum was allowed to AWPPL and the calculations in the Tariff Determination were made assuming the payment is to be made on annual basis, whereas the payment of ROE is to be paid on monthly basis as per EPA. Therefore, the Authority has decided to approve IRR while using the monthly payment of return components as has also been allowed in the recent similar cases.

**Operation and Maintenance ("O&M") Cost**

103. The Authority in the Tariff Determination allowed O&M cost of USD 23,000 per MW per annum for AWPPL. The allowed O&M had approved in the ratio of 50:50 in local and foreign components. Detail is as under:

O&M	Tariff (PKR/kWh)	Indexation
Local	0.4146	CPI (General)
Foreign	0.4146	US-CPI and PKR/USD Exchange rate
Total	0.8292	

104. Further, the Authority vide review motion decision dated May 17, 2021 decided as under:

*"The O&M cost, its mix, and the corresponding mechanism thereof as approved in the Tariff Determination of Artistic Wind Power (Pvt.) Limited shall be applicable for the period during which the Petitioner has already finalized the WP and LT O&M Agreements, i.e. 13 years. During this time, however, the Petitioner shall be required to submit, on an annual basis, the documentary evidence/report pertaining to actual expenditures on account of O&M. The savings, if any, in the actual O&M cost compared to the approved O&M cost shall completely be passed on to the consumers."*



*Subsequent to the lapse of the LT O&M Contract, in order to claim O&M costs, the Petitioner shall be required to carry out competitive bidding for the selection of the O&M contractor in accordance with NEPRA's applicable law. Based on this competitive bidding process, the Authority shall make revisions in the O&M cost, while capping the prevailing level of the approved O&M cost. Those revisions may also entail changing the mix of the approved O&M cost (local and foreign) as well as the indexation mechanism (indices, frequency etc.)."*

105. The petitioner in its COD adjustment application has claimed local O&M of PKR 0.5830/kWh and foreign O&M of PKR 0.6733/kWh. The tariff being approved in this decision is to be applicable for the energy supplied by the company during the quarter January-March 2022, therefore, the O&M Cost being allowed in this decision has been adjusted/indexed, as per the prescribed mechanism, on the indices applicable for the said quarter which is detailed as under:

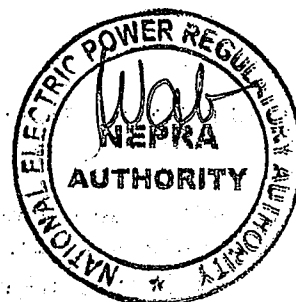
O&M Cost	Determined	Claimed	Approved
	PKR/kWh		
Local O&M	0.4146	0.5830	0.5856
Foreign O&M	0.4146	0.6733	0.6777
<b>Indexation values:</b>			
CPI (General) / N-CPI	229.27	157.460	158.18
PKR/USD exchange rate	120.00	182.20	177.95
US-CPI	252.146	278.802	277.948

- For the purpose of calculation of approved numbers; N-CPI, US CPI for the month of November 2021 has been used. The exchange rate of December 31, 2021 has been used.
- Due to discontinuation of CPI, the Authority vide decision dated March 10, 2021 (notified in the official Gazette) has replaced the same with NCPI. The reference generation tariff was determined on CPI. Accordingly CPI of August 2018 i.e. 229.27 was revised with the equivalent NCPI of May 2020 i.e. 131.01. Subsequently the same was indexed with NCPI of November 2021.

#### Insurance during operation:

106. The Tariff Determination provide following provision with regard adjustment of insurance during operations at COD:

*"The actual insurance cost for the minimum cover required under contractual obligations with the power purchaser, not exceeding 0.4% of the approved EPC cost, will be treated as pass through. Insurance component of reference tariff shall be adjusted annually as per actual upon production of authentic documentary evidence..."*



107. In the COD application, AWPPL has submitted that the Company has arranged following insurance covers for the first operation year. The following cost detail against each insurance coverage as claimed by AWPPL is as hereunder:

Insurance Policy	Premium Paid in PKR million
Property Damage	37.77
Business Interruption	8.36
Third Party Liability - Operational	2.95
Terrorism - Operational	4.67
<b>Total</b>	<b>53.75</b>

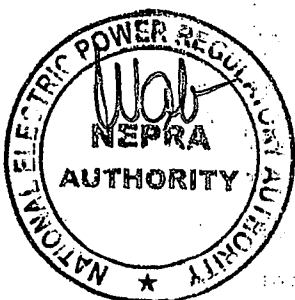
108. AWPPL submitted that cost of insurance works out to be USD 0.228 million, which is 0.40% of the claimed EPC cost and requested to allow the same for the first year operating insurance period. In support of its claimed the petitioner submitted copies of sales tax invoices and premium receipts of Habib Insurance Company Ltd. and Alfalah Insurance Company Ltd.

109. AWPPL has not submitted complete documentary evidence of operational insurance. It is noted that in the Tariff Determination, reference insurance component has been calculated considering 0.4% of the allowed EPC cost (USD 57.04 million) which works out USD 0.23 million per annum. Based on same mechanism, the insurance component has been adjusted/revised at COD and is being allowed as PKR 0.2439/kWh. The adjustment mechanism of operational insurance is given in order part of this decision.

**ORDER:**

110. In pursuance of section 7(3)(a) read with Rule 3 of the NEPRA (Tariff Standards & Procedure) Rules, 1998, the Authority hereby approves the following generation tariff along with the applicable terms and conditions for Artistic Wind Power (Pvt.) Limited ("AWPPL") for its 50 MW wind power project for delivery of electricity to the power purchaser:

- Levelized tariff works out to be Rs. 7.7344/kWh (US Cents 4.3464/kWh).
- Net Annual Plant Capacity Factor of 38% has been approved.
- The aforementioned tariff is applicable for twenty five (25) years from COD.
- Debt to Equity ratio of 80:20 has been approved.
- Debt Repayment period of 10 years has been taken into account for local financing under SBP Scheme.
- Debt Repayment period of 13 years has been taken into account for foreign financing.
- The cost of financing of debt of 5.40% (inclusive of saving) for SBP loan and LIBOR+4.25% for foreign loan, both for construction and operation period has been considered.
- Return on Equity during construction and operation of 14% on monthly payment basis has been allowed.



g 19

- Construction period of 15 months has been used for the workings of ROEDC and IDC from October 01, 2020 till December 31, 2021.
- Insurance during operation has been calculated at 0.4% of the allowed EPC cost.
- Reference Exchange Rates of 177.95 PKR/USD of December 31, 2021 has been used.
- Detailed component wise tariff is attached as **Annex-I** of this decision.
- Debt Servicing Schedule for SBP financing is attached as **Annex-II** of this decision.
- Debt Servicing Schedule for foreign financing is attached as **Annex-III** of this decision.

#### A. Indexation

Adjustment of O&M, return on equity, return on equity during construction shall be made on quarterly basis for the quarters starting from 1<sup>st</sup> January, 1<sup>st</sup> April, 1<sup>st</sup> July and 1<sup>st</sup> October, based on latest available information. Adjustment of debt servicing components, where applicable, shall also be made on quarterly basis. Insurance component shall be adjusted on annual basis. The indexation for the 1<sup>st</sup> quarter i.e. January-March 2022 except for insurance component has already been made in this decision. The indexation mechanisms for subsequent quarters is given hereunder:

#### i) Operation and Maintenance Costs

O&M components of tariff shall be adjusted based on revised rates of local Inflation (N-CPI) as notified by Pakistan Bureau of Statistics, foreign inflation (US CPI) as notified by US Bureau of Labor Statistics and TT&OD selling rate of US Dollar as notified by National Bank of Pakistan according to the following formula:

$F. O\&M_{(REV)}$	=	$F. O\&M_{(REF)} * US CPI_{(REV)} / US CPI_{(REF)} * ER_{(REV)} / ER_{(REF)}$
$L. O\&M_{(REV)}$	=	$L. O\&M_{(REF)} * N-CPI_{(REV)} / N-CPI_{(REF)}$
Where;		
$F. O\&M_{(REV)}$	=	The revised O&M Foreign Component of Tariff
$L. O\&M_{(REV)}$	=	The revised O&M Local Component of Tariff
$F. O\&M_{(REF)}$	=	The reference O&M Foreign Component of Tariff
$L. O\&M_{(REF)}$	=	The reference O&M Local Component of Tariff
$US CPI_{(REV)}$	=	The revised US CPI (All Urban Consumers) of the middle month of preceding quarter as notified by US Bureau of Labor Statistics
$US CPI_{(REF)}$	=	The reference US CPI (All Urban Consumers) of 277.948 of November, 2021
$N-CPI_{(REV)}$	=	The revised N-CPI of the middle month of preceding quarter as notified by Pakistan Bureau of Statistics
$N-CPI_{(REF)}$	=	The reference N-CPI of 158.18 for the month of November, 2021
$ER_{(REV)}$	=	The revised TT & OD selling rate of US dollar as notified by the National Bank of Pakistan as at the last day of the preceding quarter

$ER_{(Ref)}$	=	The reference TT & OD selling rate of PKR 177.95/USD of December 31, 2021
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ii) Insurance during Operation

The actual insurance cost for the minimum cover required under contractual obligations with the Power Purchaser, not exceeding 0.4% of the approved EPC cost, will be treated as pass through. Insurance component of reference tariff shall be adjusted annually as per actual upon production of authentic documentary evidence to the satisfaction of the Authority according to the following formula:

AIC	=	$Ins_{(Ref)} / P_{(Ref)} * P_{(Act)}$
Where;		
AIC	=	Adjusted insurance component of tariff
$Ins_{(Ref)}$	=	Reference insurance component of tariff
$P_{(Ref)}$	=	Reference premium @ 0.4% of approved EPC Cost (USD 57.039 million) at PKR 177.95/USD of December 31, 2021
$P_{(Act)}$	=	Actual premium or 0.4% of the EPC Cost converted into PKR on exchange rate prevailing at the time of insurance premium payment of the insurance coverage period, whichever is lower.

iii) Return on Equity

The total ROE (ROE + ROEDC) component of the tariff will be adjusted annually on account of change in PKR/USD parity. The variation relating to these components shall be worked out according to the following formula:

$ROE_{(Rev)}$	=	$ROE_{(Ref)} * ER_{(Rev)} / ER_{(Ref)}$
Where;		
$ROE_{(Rev)}$	=	Revised ROE Component of Tariff
$ROE_{(Ref)}$	=	Reference ROE Component of Tariff
$ER_{(Rev)}$	=	The revised TT & OD selling rate of US dollar as notified by the National Bank of Pakistan as at the last day of the preceding quarter
$ER_{(Ref)}$	=	The reference TT & OD selling rate of PKR 177.95/USD of December 31, 2021

iv) Indexations applicable to debt

The principal component of foreign debt will be adjusted on quarterly basis, on account of revised TT & OD selling rate of US Dollar, as notified by the National Bank of Pakistan as at the last day of the preceding period, over the applicable reference exchange rate. The interest part of tariff component for the foreign loan shall also be adjusted with respect to change in applicable LIBOR according to the following formula:

$\Delta I$	=	$P (REV) * (LIBOR (REV) - 0.20913\%) / 4$
Where;		
$\Delta I$	=	The variation in interest charges applicable corresponding to variation in 3 month LIBOR. $\Delta I$ can be positive or negative depending upon whether 3 month LIBOR (REV) per annum > or < 0.20913%. The interest payment obligation will be enhanced or reduced to the extent of $\Delta I$ for each quarter under adjustment.
$P (REV)$	=	The outstanding principal (as indicated in the attached debt service schedule to this order at Annex-III), on a quarterly basis at the relevant calculations date.
$LIBOR (REV)$	=	Revised 3 month LIBOR as at the last day of the preceding quarter.

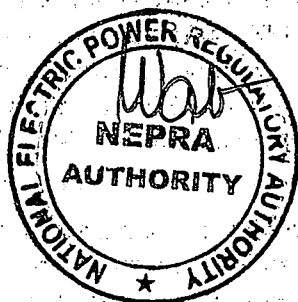
*Note: The revised LIBOR shall be replaced with SOFR with effect from July 01, 2023 in light of the decision of the Authority regarding Suo moto proceedings for transition from LIBOR to SOFR dated December 5, 2024 and December 13, 2024. The Company shall submit the indexation of the debt service component (foreign) in light of the aforesaid decision.*

The foreign interest component will also be adjusted on quarterly basis, on account of revised TT & OD selling rate of US Dollar, as notified by the National Bank of Pakistan as at the last day of the preceding quarter, over the applicable reference exchange rate.

#### B. Terms and Conditions

The following terms and conditions shall apply to the determined tariff:

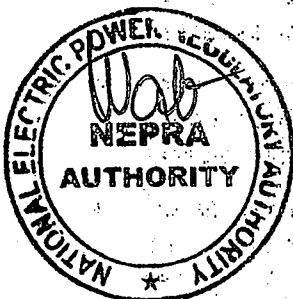
- The O&M-Cost, its mix, and the corresponding mechanism thereof as approved shall be applicable for 13 years from COD. During this time, however, the Petitioner shall be required to submit, on an annual basis, the documentary evidence/report pertaining to actual expenditures on account of O&M. The savings, if any, in the actual O&M cost compared to the approved O&M cost shall completely be passed on to the consumers.
- Subsequent to the lapse of the LT O&M Contract, in order to claim O&M costs, the Petitioner shall be required to carry out competitive bidding for the selection of the O&M contractor in accordance with NEPRA's applicable law. Based on this competitive bidding process, the Authority shall make revisions in the O&M cost, while capping the prevailing level of the approved O&M cost. Those revisions may also entail changing the mix of the approved O&M cost (local and foreign) as well as the indexation mechanism (indices, frequency etc.).
- This tariff will be limited to the extent of net annual energy generation supplied to the power purchaser up to 38% net annual plant capacity factor. Net annual energy generation supplied to the power purchaser in a year, in excess of 38% net annual plant capacity factor will be charged at the following tariffs:





<u>Net annual plant capacity factor</u>	<u>% of prevalent tariff allowed to power producer</u>
Above 38% up to 40%	5%
Above 40% up to 42%	10%
Above 42% up to 44%	20%
Above 44% up to 46%	40%
Above 46% up to 48%	80%
Above 48%	100%

- The risk of wind resource shall be borne by the power producer.
- The company is required to maintain the availability levels as declared in the Tariff Petition and the studies provided therein. Power purchaser shall conduct detailed monitoring/audit of the operational record/log of all the wind turbines to verify output/capacity of the power plant so that the power producer cannot intentionally suppress the capacity factors.
- In the tabulated above tariff no adjustment for certified emission reductions has been accounted for. However, upon actual realization of carbon credits, the same shall be distributed between the power purchaser and the power producer in accordance with the applicable GOP Policy, amended from time to time.
- The savings in the cost of any financing during any time of debt servicing period shall be shared between the power purchaser and the company in the ratio of 60:40.
- In case the company is obligated to pay any tax on its income from generation of electricity, or any duties and/or taxes, not being of refundable nature, are imposed on the company, the exact amount paid by the company on these accounts shall be reimbursed on production of original receipts. This payment shall be considered as a pass-through payment. However, withholding tax on dividend shall not be passed through.
- No provision for the payment of Workers Welfare Fund and Workers Profit Participation has been made in the tariff. In case, the company has to pay any such fund, that will be treated as pass through item in the EPA.
- The quarterly indexation already allowed on interim basis shall not be applicable after the notification of this decision. Subsequent to notification, the indexations/adjustment shall be made in line with the COD true-up decision.
- The above assessment has been carried out based on the data/information provided by the Petitioner, which the Authority believes is correct and based on facts. In case of any deviation / misrepresentation observed at a later stage, the Petitioner shall be held responsible for the consequences arising out, under NEPRA Act, Rules and Regulations made thereunder. Any consequential adjustment if required will be made accordingly.

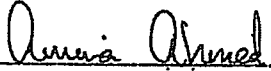


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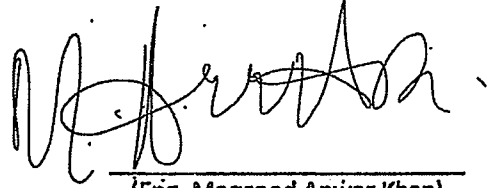


111. The instant decision along with attached three Annexures is intimated to the Federal Government for notification in the official Gazette as per Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

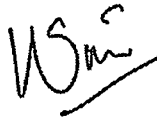
**AUTHORITY**



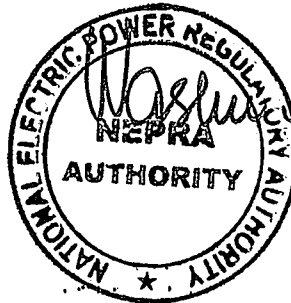
(Amina Ahmed)  
Member



(Eng. Maqsood Anwar Khan)  
Member



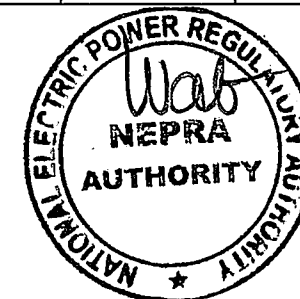
(Waseem Mukhtar)  
Chairman



# Artistic Wind Power (Pvt.) Limited Tariff Table

Year	O&M-Local	O&M-Foreign	Insurance	Return on Equity	ROEDC	Foreign Loan-Principal	Foreign Loan-Interest	SBP Loan-Principal	SBP Loan-Interest	Total
	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh
1	0.5856	0.6777	0.2439	1.7510	0.2058	1.3157	1.1565	2.4533	1.2751	9.6648
2	0.5856	0.6777	0.2439	1.7510	0.2058	1.4082	1.0962	2.4533	1.1426	9.5645
3	0.5856	0.6777	0.2439	1.7510	0.2058	1.5059	1.0318	2.4533	1.0102	9.4654
4	0.5856	0.6777	0.2439	1.7510	0.2058	1.6090	0.9630	2.4533	0.8777	9.3671
5	0.5856	0.6777	0.2439	1.7510	0.2058	1.7226	0.8893	2.4533	0.7452	9.2746
6	0.5856	0.6777	0.2439	1.7510	0.2058	1.8441	0.8105	2.4533	0.6127	9.1849
7	0.5856	0.6777	0.2439	1.7510	0.2058	1.9709	0.7262	2.4533	0.4802	9.0948
8	0.5856	0.6777	0.2439	1.7510	0.2058	2.1057	0.6361	2.4533	0.3478	9.0070
9	0.5856	0.6777	0.2439	1.7510	0.2058	2.2536	0.5398	2.4533	0.2153	8.9262
10	0.5856	0.6777	0.2439	1.7510	0.2058	2.4095	0.4367	2.4533	0.0828	8.8465
11	0.5856	0.6777	0.2439	1.7510	0.2058	2.5786	0.3265	-	-	6.3692
12	0.5856	0.6777	0.2439	1.7510	0.2058	2.7556	0.2086	-	-	6.4283
13	0.5856	0.6777	0.2439	1.7510	0.2058	2.9405	0.0825	-	-	6.4872
14	0.5856	0.6777	0.2439	1.7510	0.2058	-	-	-	-	3.4641
15	0.5856	0.6777	0.2439	1.7510	0.2058	-	-	-	-	3.4641
16	0.5856	0.6777	0.2439	1.7510	0.2058	-	-	-	-	3.4641
17	0.5856	0.6777	0.2439	1.7510	0.2058	-	-	-	-	3.4641
18	0.5856	0.6777	0.2439	1.7510	0.2058	-	-	-	-	3.4641
19	0.5856	0.6777	0.2439	1.7510	0.2058	-	-	-	-	3.4641
20	0.5856	0.6777	0.2439	1.7510	0.2058	-	-	-	-	3.4641
21	0.5856	0.6777	0.2439	1.7510	0.2058	-	-	-	-	3.4641
22	0.5856	0.6777	0.2439	1.7510	0.2058	-	-	-	-	3.4641
23	0.5856	0.6777	0.2439	1.7510	0.2058	-	-	-	-	3.4641
24	0.5856	0.6777	0.2439	1.7510	0.2058	-	-	-	-	3.4641
25	0.5856	0.6777	0.2439	1.7510	0.2058	-	-	-	-	3.4641
Levelized Tariff Rs./kWh	0.5856	0.6777	0.2439	1.7510	0.2058	1.4556	0.6248	1.6608	0.5291	7.7344

229

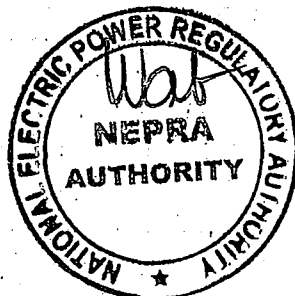




## Annex-II

**Artistic Wind Power (Pvt.) Limited**  
**Debt Servicing Schedule - SBP Loan**

Period	Outstanding	Principal	Interest	Annual Principal	Annual Interest
	Rs.	Rs.	Rs.	Rs./kWh	Rs./kWh
1	4,083,336,142	102,083,404	55,125,038	-	-
2	3,981,252,738	102,083,404	53,746,912	-	-
3	3,879,169,335	102,083,404	52,368,786	-	-
4	3,777,085,931	102,083,404	50,990,660	2.4533	1.2751
5	3,675,002,528	102,083,404	49,612,534	-	-
6	3,572,919,124	102,083,404	48,234,408	-	-
7	3,470,835,721	102,083,404	46,856,282	-	-
8	3,368,752,317	102,083,404	45,478,156	2.4533	1.1426
9	3,266,668,914	102,083,404	44,100,030	-	-
10	3,164,585,510	102,083,404	42,721,904	-	-
11	3,062,502,106	102,083,404	41,343,778	-	-
12	2,960,418,703	102,083,404	39,965,652	2.4533	1.0102
13	2,858,335,299	102,083,404	38,587,527	-	-
14	2,756,251,896	102,083,404	37,209,401	-	-
15	2,654,168,492	102,083,404	35,831,275	-	-
16	2,552,085,089	102,083,404	34,453,149	2.4533	0.8777
17	2,450,001,685	102,083,404	33,075,023	-	-
18	2,347,918,282	102,083,404	31,696,897	-	-
19	2,245,834,878	102,083,404	30,318,771	-	-
20	2,143,751,475	102,083,404	28,940,645	2.4533	0.7452
21	2,041,668,071	102,083,404	27,562,519	-	-
22	1,939,584,667	102,083,404	26,184,393	-	-
23	1,837,501,264	102,083,404	24,806,267	-	-
24	1,735,417,860	102,083,404	23,428,141	2.4533	0.6127
25	1,633,334,457	102,083,404	22,050,015	-	-
26	1,531,251,053	102,083,404	20,671,889	-	-
27	1,429,167,650	102,083,404	19,293,763	-	-
28	1,327,084,246	102,083,404	17,915,637	2.4533	0.4802
29	1,225,000,843	102,083,404	16,537,511	-	-
30	1,122,917,439	102,083,404	15,159,385	-	-
31	1,020,834,035	102,083,404	13,781,259	-	-
32	918,750,632	102,083,404	12,403,134	2.4533	0.3478
33	816,667,228	102,083,404	11,025,008	-	-
34	714,583,825	102,083,404	9,646,882	-	-
35	612,500,421	102,083,404	8,268,756	-	-
36	510,417,018	102,083,404	6,890,630	2.4533	0.2153
37	408,333,614	102,083,404	5,512,504	-	-
38	306,250,211	102,083,404	4,134,378	-	-
39	204,166,807	102,083,404	2,756,252	-	-
40	102,083,404	102,083,404	1,378,126	2.4533	0.0828



**Artistic Wind Power (Pvt.) Limited**  
**Debt Servicing Schedule - Foreign Loan**

Period	Outstanding	Repayment percentage	Principal	Interest	Annual Principal	Annual Interest
	USD	%	USD	USD	Rs./kWh	Rs./kWh
1	24,711,151	1.21%	299,005	275,476	-	-
2	24,412,146	1.23%	303,947	272,142	-	-
3	24,108,199	1.26%	311,361	268,754	-	-
4	23,796,839	1.28%	316,303	265,283	1.3157	1.1565
5	23,480,536	1.30%	321,245	261,757	-	-
6	23,159,291	1.32%	326,187	258,176	-	-
7	22,833,104	1.34%	331,129	254,539	-	-
8	22,501,974	1.37%	338,543	250,848	1.4082	1.0962
9	22,163,432	1.39%	343,485	247,074	-	-
10	21,819,947	1.41%	348,427	243,245	-	-
11	21,471,519	1.44%	355,841	239,361	-	-
12	21,115,679	1.46%	360,783	235,394	1.5059	1.0318
13	20,754,896	1.48%	365,725	231,372	-	-
14	20,389,171	1.51%	373,138	227,295	-	-
15	20,016,033	1.54%	380,552	223,135	-	-
16	19,635,481	1.56%	385,494	218,893	1.6090	0.9630
17	19,249,987	1.59%	392,907	214,595	-	-
18	18,857,080	1.62%	400,321	210,215	-	-
19	18,456,759	1.64%	405,263	205,753	-	-
20	18,051,496	1.67%	412,676	201,235	1.7226	0.8893
21	17,638,820	1.70%	420,090	196,634	-	-
22	17,218,730	1.73%	427,503	191,951	-	-
23	16,791,227	1.76%	434,916	187,186	-	-
24	16,356,311	1.79%	442,330	182,337	1.8441	0.8105
25	15,913,981	1.82%	449,743	177,406	-	-
26	15,464,239	1.85%	457,156	172,393	-	-
27	15,007,082	1.88%	464,570	167,296	-	-
28	14,542,513	1.91%	471,983	162,117	1.9709	0.7262
29	14,070,530	1.94%	479,396	156,856	-	-
30	13,591,133	1.98%	489,281	151,512	-	-
31	13,101,852	2.01%	496,694	146,057	-	-
32	12,605,158	2.04%	504,107	140,520	2.1057	0.6361
33	12,101,051	2.08%	513,992	134,900	-	-
34	11,587,059	2.11%	521,405	129,171	-	-
35	11,065,654	2.15%	531,290	123,358	-	-
36	10,534,364	2.19%	541,174	117,435	2.2536	0.5398
37	9,993,190	2.22%	548,588	111,402	-	-
38	9,444,602	2.26%	558,472	105,287	-	-
39	8,886,130	2.30%	568,356	99,061	-	-
40	8,317,774	2.34%	578,241	92,725	2.4095	0.4367
41	7,739,533	2.38%	588,125	86,279	-	-
42	7,151,407	2.42%	598,010	79,723	-	-
43	6,553,397	2.46%	607,894	73,056	-	-
44	5,945,503	2.50%	617,779	66,279	2.5786	0.3265
45	5,327,724	2.54%	627,663	59,393	-	-
46	4,700,061	2.59%	640,019	52,395	-	-
47	4,060,042	2.63%	649,903	45,261	-	-
48	3,410,139	2.67%	659,788	38,016	2.7556	0.2086
49	2,750,351	2.72%	672,143	30,660	-	-
50	2,078,208	2.77%	684,499	23,167	-	-
51	1,393,709	2.81%	694,383	15,537	-	-
52	699,326	2.83%	699,326	7,796	2.9405	0.0825

