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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-188/FWEL-I-2011/2283-87 February 10, 2023

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for Foundation Wind Energy-I Private Limited (FWEL-I) (Case No. NEPRA/TRF-188/FWEL-I-2011)**

Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised tariff components (Annex-I) (02 pages) regarding quarterly indexation/adjustment of tariff for the quarter January-March 2023 on account of US CPI, CPI (Local), Exchange Rate and KIBOR/LIBOR variations in respect of Foundation Wind Energy-I (Pvt.) Ltd. in Case No. NEPRA/TRF-188/FWEL-I-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 Ranjha)

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

Copy to: (alongwith copy of subject Decision):

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
4. Chief Executive Officer, Foundation Wind Energy-I Limited,
5th Floor, Sona Tower, 156-The Mall, Rawalpindi, Ph: 845 8410, 845 8422-23



**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ ADJUSTMENT
OF TARIFF FOR FOUNDATION WIND ENERGY-I LIMITED**

Pursuant to the decision of the Authority dated October 27, 2016 in the matter of tariff adjustment of Foundation Wind Energy-I Limited (FWEL-I) at commercial operation date (COD) and corrigendum decision dated December 2, 2016, the relevant components of tariff of FWEL-I for the quarter January-March 2023 have been revised on account of US CPI, CPI (Local), exchange rate and KIBOR/LIBOR variations in accordance with the requisite indexation/adjustment mechanism stipulated in the above referred decision of the Authority indicated in Annex-I.

2. The above referred revised tariff components attached **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.

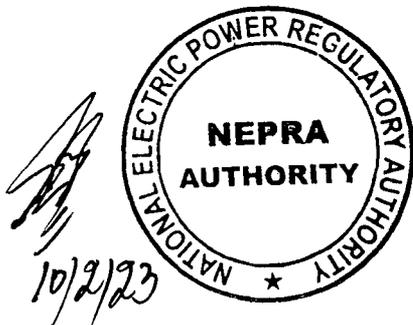
AUTHORITY

(Mathar Niaz Rana (nsc))
Member

(Engr. Maqsood Anwar Khan)
Member

(Rafique Ahmed Shaikh)
Member

(Tauseef H. Farooqi)
Chairman



Foundation Wind Energy-I Limited
Quarterly Indexation/Adjustment of Tariff

Tariff Component	Reference Tariff	Revised Jan-Mar 2023	Indexation
Date of decisions	Oct 27, 2016		Indexation
	(Rs./kWh)		
O&M-Local	0.3986	0.5454	CPI
O&M-Foreign	1.7093	4.8928	US CPI & Rs./US \$
Return on Equity	3.9165	8.8423	Rs./US \$
Return on Equity during Construction	0.8793	1.9852	Rs./US \$
Debt Service-Local (Bi-Annual)	3.5825	4.0393	KIBOR & Rs./US \$
Debt Service-Foreign (Bi-Annual)	5.6086	13.8104	LIBOR & Rs./US \$
Total	16.0948	34.1154	
Indexation Values			Sources (Websites)
CPI (General)-Revised value of Jun 2020	196.790	269.270	Pakistan Bureau of Statistics
US CPI- Revised value of Nov 2022	234.812	297.711	US Bureau of Labor Statistics
Exchange Rate- Revised rate of Dec 30, 2022	100.50	226.90	NBP
KIBOR 6-Month- Revised rate of Dec 30, 2022	9.63%	17.04%	SBP
LIBOR 6-Month- Revised rate of Dec 30, 2022	0.330%	5.1389%	Global-rates.com or moneycafe.com
Principal Outstanding-Local (PKR)		890,780,000	
Principal Outstanding-Foreign (PKR)		1,527,630,000	
Benchmark energy (kWh) (Bi-annual)		72,250,000	

Above indexation is on the basis of the information provided by FWEL-I and verified by NEPRA. The value of 6 month KIBOR 17.04 % of December 30, 2022 has been used as against 16.79 % used by FWEL-I.

For the purpose of indexation of Fixed O&M (Local) component for Jan-Mar 2023 quarter, CPI for Nov 2022 was required to be used. However, Pakistan Bureau of Statistics has discontinued the publication of CPI for base year 2007-08 w.e.f. July 2020 and replaced it with National CPI for new base year 2015-16.

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.

FWEL-I has claimed indexation of local O & M on N-CPI (Nov 2022) which shall be allowed upon notification of aforementioned decision.



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