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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/DG(Trf)/TRF-189/FWEL-II-2011/ 12796-12800

May 19, 2023

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for Foundation Wind Energy-II Private Limited (FWEL-II) (Case No. NEPRA/TRF-189/FWEL-II-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 **April-June 2023** on account of US CPI, CPI (Local), Exchange Rate and KIBOR/LIBOR variations in respect of Foundation Wind Energy-II (Pvt.) Ltd. in Case No. NEPRA/TRF-189/FWEL-II-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 Division)
'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-II 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-II (PRIVATE) LIMITED**

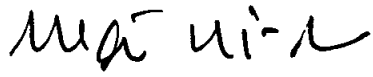
Pursuant to the decision of the Authority dated June 9, 2016 in the matter of tariff adjustment of Foundation Wind Energy-II (Private) Limited (FWEL-II) at commercial operation date (COD), the relevant components of tariff of FWEL-II for the quarter April-June, 2023 have been revised on account of US CPI, CPI (Local), exchange rate and KIBOR/LIBOR variations in accordance with the requisite indexation/adjustment mechanism stipulated in the 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.


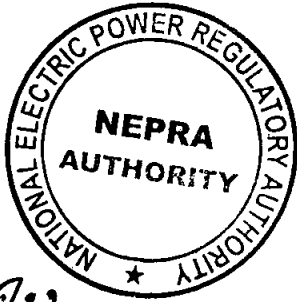
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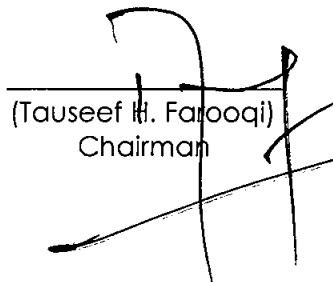

(Amina Ahmed)
Member


(Mathar Niaz Rana (nsc))
Member


(Engr. Maqsood Anwar Khan)
Member


(Rafique Ahmed Shaikh)
Member


19/5/23



(Tauseef H. Farooqi)
Chairman

Foundation Wind Energy-II (Private) Limited

Quarterly Indexation/Adjustment of Tariff

Tariff Component	Reference Tariff	Revised Apr-Jun 2023	Indexation
Date of decisions	Jun 09, 2016		
	(Rs./kWh)		
O&M-Local	0.4061	0.5484	CPI
O&M-Foreign	1.7753	6.2251	US CPI & Rs./US \$
Return on Equity	4.1890	11.6220	Rs./US \$
Return on Equity during Construction	0.8973	2.4895	Rs./US \$
Debt Service-Local (Bi-Annual)	3.3590	3.6642	KIBOR & Rs./US \$
Debt Service-Foreign (Bi-Annual)	5.6978	13.4937	LIBOR & Rs./US \$
Total	16.3245	38.0429	
Indexation Values			Sources
CPI (General)-Revised value of Jun 2020	199.400	269.270	Pakistan Bureau of Statistics
US CPI - Revised value of Feb 2023	238.030	300.840	Bureau of Labor Statistics
Exchange Rate- Revised rate of Mar 31, 2023	102.40	284.10	NBP
KIBOR 6-Month- Revised rate of Dec 30, 2022	10.17%	17.04%	SBP
LIBOR 6-Month- Revised rate of Dec 30, 2022	0.3300%	5.1389%	Global-rates.com
Principal Outstanding-Local (PKR)		638,360,000	
Principal Outstanding-Foreign (PKR)		1,171,140,000	
Bi-annual Benchmark energy (kWh)		71,850,000	

Above indexation is on the basis of the information provided by FWEL-II and verified by NEPRA.

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

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

As per relevant provision of the EPA, the latest available CPI of June 2020 for base year 2007-08 has been used for the instant indexation/adjustment. The indexation of Local O&M components is being made on provisional basis, subject to revision upon notification of the Authority's decision of revised index.

FWEL-II has claimed indexation of local O & M on N-CPI (Feb 2023) which shall be allowed upon notification of aforementioned decision.

Debt Servicing components (Bi-annual) shall remain same for the period Jan-Jun 23.

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