



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/DG(Trf)/TRF-189/FWEL-II-2011/ 21035-39

August 09, 2023

**Subject: Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for Foundation Wind Energy-II (Private) Ltd. (FWEL-II) (Case No. NEPRA/TRF-189/FWEL-II-2011)**

Dear Sir,

Please find enclosed herewith the decision of the Authority along with **Annex-I** (total 02 pages) regarding quarterly indexation/adjustment of tariff of Foundation Wind Energy-II (Private) Ltd for the quarter **July to September 2023** on account of US CPI, CPI (Local), Exchange Rate and KIBOR/LIBOR variations in Case No. NEPRA/TRF-345/TBCCPL-C-2015.

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

CC:

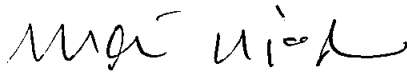
1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad.
4. Chief Executive Officer, Foundation Wind Energy-II Limited, 5<sup>th</sup> 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 July-Sept, 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.

**AUTHORITY**



(Mathar Niaz Rana (nsc)  
Member



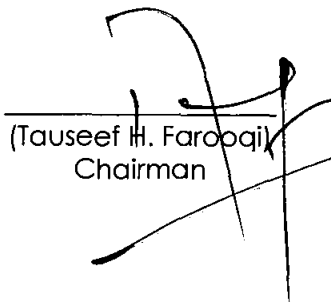
(Engr. Maqsood Anwar Khan)  
Member



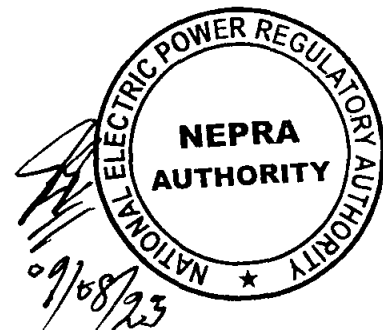
(Rafique Ahmed Shaikh)  
Member



(Amina Ahmed)  
Member



(Tauseef H. Farooqi)  
Chairman



**Foundation Wind Energy-II (Private) Limited**  
**Quarterly Indexation/Adjustment of Tariff**

| Tariff Component  | Reference Tariff | Rvised Tariff  | Indexation                    |
|---|------------------|----------------|-------------------------------|
| Date of decisions   | Jun 09, 2016     | Jul - Sep 2023 |                               |
|   | (Rs./kWh)        | (Rs./kWh)      |                               |
| O&M-Local   | 0.4061           | 0.5484         | CPI                           |
| O&M-Foreign   | 1.7753           | 6.3596         | US CPI & Rs./US \$            |
| Return on Equity  | 4.1890           | 11.7447        | Rs./US \$                     |
| Return on Equity during Construction  | 0.8973           | 2.5158         | Rs./US \$                     |
| Debt Service-Local (Bi-Annual)  | 3.3590           | 3.7499         | KIBOR                         |
| Debt Service-Foreign (Bi-Annual)  | 5.6978           | 16.8123        | LIBOR & Rs./US \$             |
| <b>Total</b>  | <b>16.3245</b>   | <b>41.7307</b> |                               |
| <b>Indexation Values</b>  |                  |                | <b>Sources</b>                |
| CPI (General)-Revised value of Jun 2020   | 199.400          | 269.270        | Pakistan Bureau of Statistics |
| US CPI - Revised value of May 2023  | 238.030          | 304.127        | Bureau of Labor Statistics    |
| Exchange Rate- Revised rate of June 30, 2023  | 102.40           | 287.10         | NBP                           |
| KIBOR 6-Month- Revised rate of June 30, 2023  | 10.17%           | 22.97%         | SBP                           |
| LIBOR 6-Month- Revised rate of June 30, 2023  | 0.3300%          | 5.7630%        | Global-rates.com              |
| Principal Outstanding-Local (PKR)   |                  | 438,960,000    |                               |
| Principal Outstanding-Foreign (PKR)   |                  | 790,040,000    |                               |
| 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 July-Sept 2023 quarter, CPI for May 2023 was required to be used. However, Pakistan Bureau of Statistics has discontinued the publication of CPI for base year 2007-08 w.e.f. July 2020 and replaced it with National CPI for new base year 2015-16. |                  |                |                               |
| The Authority vide its decision dated March 10, 2021 replaced CPI Base Year 2007-08 with N-CPI Base Year 2015-16, however, that decision shall be implemented upon Notification in the Official Gazette.  |                  |                |                               |
| As per relevant provision of the EPA, the latest available CPI of June 2020 for base year 2007-08 has been used for the instant indexation/adjustment. The indexation of Local O&M components is being made on provisional basis, subject to revision upon notification of the Authority's decision of revised index. |                  |                |                               |
| FWEL-II has claimed indexation of local O & M on N-CPI (May 2023) which shall be allowed upon notification of aforementioned decision.  |                  |                |                               |

