



**National Electric Power Regulatory Authority**  
**Islamic Republic of Pakistan**

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No. NEPRA/R/DG(Trf)/TRF-487/GAEL-2019/ 10313-17

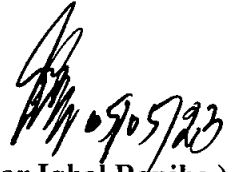
May 5, 2023

**Subject: INTERIM DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ADJUSTMENT OF TARIFF FOR GUL AHMED ELECTRIC LIMITED (Case No. NEPRA/ TRF-487/GAEL-2019)**

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 of Gul Ahmed Electric Limited for the **April to June 2022 to January-March 2023** quarters on account of US CPI, CPI (General) Local, Exchange Rate (PKR/USD) and LIBOR variations in Case No. NEPRA/ TRF-487/GAEL-2019.

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.

  
( Engr. Mazhar Iqbal Ranjha )

Enclosure: As above

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

Copy to: (alongwith copy of subject Decision):

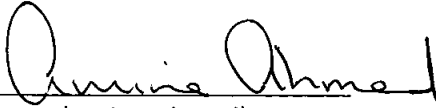
1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
4. Chief Executive Officer, Nishat Chunian Power Limited (NCPL), 31-Q, Gulberg-II, Lahore [Ph: 042 - 35761730]

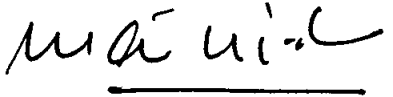
**INTERIM DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/  
ADJUSTMENT OF TARIFF FOR GUL AHMED ELECTRIC LIMITED**

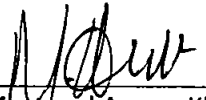
Pursuant to the decision of the Authority dated November 19, 2018 and July 23, 2020 in the matter of tariff decisions of Gul Ahmed Electric Limited (GAEL) and decision dated May 17, 2021 on motion for leave for review filed by GAEL notified vide S.R.O No 674(I)/2022 dated May 27, 2022, the relevant tariff components are required to be indexed/adjusted according to the stipulated mechanism therein.

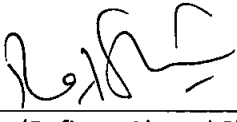
2. GAEL filed request for interim relief which was considered by the Authority. Accordingly, the relevant tariff components in respect of quarters from April-June, 2022 to January-March, 2023 have been revised on account of US CPI, CPI (Local), exchange rate (PKR/USD), LIBOR variations in accordance with the requisite indexation/adjustment mechanism stipulated in the above referred decision(s) of the Authority indicated in Annex-I.
3. The indexation allowed is on interim basis and shall be subject to adjustments, if necessary, in the light of the final decision of the Authority with respect to GAEL COD tariff adjustment.
4. The adjusted/ indexed tariff attached as **Annex-I** is 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.
5. CPPA-G to ensure that all the payments are consistent with tariff determination.

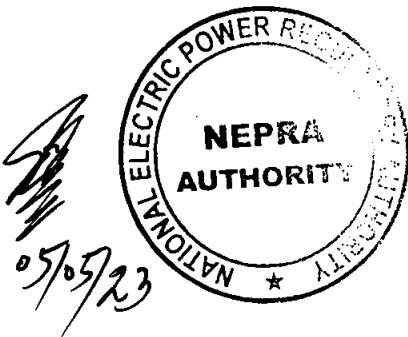
**AUTHORITY**

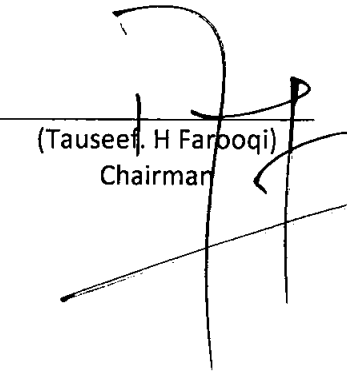
  
(Amina Ahmed)  
Member

  
(Mathar Niaz Rana (nsc))  
Member

  
(Engr. Maqsood Anwar Khan)  
Member

  
(Rafique Ahmed Shaikh)  
Member



  
(Tauseef H Farooqi)  
Chairman

**Gul Ahmed Electric Limited**  
**Quarterly Indexation/Adjustment of Tariff**

Tariff Component	Reference Tariff	Revised Apr-June 2022	Revised July-Sep 2022	Revised Oct-Dec 2022	Revised Jan-Mar 2023	Indexation
O&M-Local	0.4146	0.4869	0.4869	0.4869	0.4869	CPI
O&M-Foreign	0.4146	0.7122	0.8251	0.9332	0.9256	US CPI & Rs./US \$
Return on Equity	1.2708	1.9401	2.1815	2.4352	2.4029	Rs./US \$
Return on Equity during Construction	0.1145	0.1748	0.1966	0.2194	0.2165	Rs./US \$
Debt Servicing-Foreign	1.9314	2.9486	3.7224	4.6462	4.9045	LIBOR & Rs./US \$
Debt Servicing-Local	2.8640	2.8640	2.8640	2.8640	2.8640	-
Total	7.0098	9.1265	10.2765	11.5848	11.8003	-
Indexation Values						Sources (Websites)
CPI (General)	229.270	269.270	269.270	269.270	269.270	Pakistan Bureau of Statistics
US CPI	252.146	283.716	292.296	296.171	297.711	US Bureau of Labor Statistics
Exchange Rate	120.00	183.20	206.00	229.95	226.90	NBP
Libor 3-Month	0.962%	0.962%	2.285%	3.755%	4.767%	Global-rates.com or moneycafe.com
Principal outstanding Foreign (USD.)		25,180,984	24,839,361	24,493,288	24,142,706	Tariff Determination
Principal outstanding Local (USD.)		25,180,984	24,551,459	23,921,934	23,292,410	
Benchmark Energy		41,610,000	41,610,000	41,610,000	41,610,000	
The above indexation is on the basis of information provided by GAEL and verified by NEPRA. The exchange rates and LIBOR rates of last working day of previous quarter have been applied for calculation. Insurance has not been considered because it is allowed as per actual on annual basis. For the purpose of indexation of O&M (Local) component for the quarters, Apr-Jun 2022, Jul-Sep 2022, Oct-Dec 2022 and Jan-Mar 2023, CPIs for Feb 2022, May 2022, Aug 2022, & Nov 2022 respectively were 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.						

