



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad  
Ph: +92-51-9206500, Fax: +92-51-2600026  
Web: www.nepa.org.pk, E-mail: registrar@nepa.org.pk

No. NEPRA/R/ADG(Trf)/TRF-174/TGF-2011/2259-63

February 10, 2023

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for Three Gorges First Wind Farm Pakistan (Pvt.) Ltd. [Case # NEPRA/TRF-174/TGF-2011]**

Dear Sir,

Please find enclosed herewith the subject decision of the Authority along with revised tariff component (Annex-I) (02 pages) regarding quarterly indexation/adjustment of tariff of Three Gorges First Wind Farm Pakistan (Pvt.) Ltd. for the quarter January-March 2023 on account of US CPI, CPI (Local), Exchange Rate and LIBOR variations in Case No. NEPRA/TRF-174/TGF-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, Three Gorges First Wind Farm Pakistan Pvt. Ltd. Serena Business Complex Level 6, Khayaban-e-Suharwardy, Islamabad  
Tele: 051 – 8439133

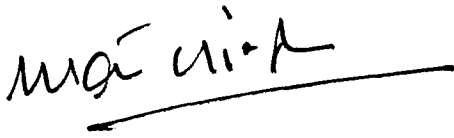
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ ADJUSTMENT  
OF TARIFF FOR THREE GORGES FIRST WIND FARM PAKISTAN (PRIVATE) LIMITED**

Pursuant to the decision of the Authority dated January 22, 2016 in the matter of tariff adjustment of Three Gorges First Wind Farm Pakistan (Pvt.) Limited (TGF) at Commercial Operation Date (COD) notified vide S.R.O No 361(I)/2016 dated April 20, 2016 and Motion for Leave for Review decision dated October 28, 2016 against the Decision of the Authority at COD, the relevant tariff components of TGF in respect of quarter January-March, 2023 have been revised on account of US CPI, CPI (Local), exchange rate and LIBOR variations in accordance with the requisite indexation/adjustment mechanism stipulated in the above referred decision(s) of the Authority indicated in Annex-I.

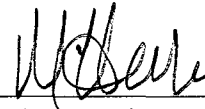
2. The above referred revised tariff component attached as **Annex-I** is to be notified in the official gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

3. CPPA-G to ensure that all the payments are consistent with tariff determination.

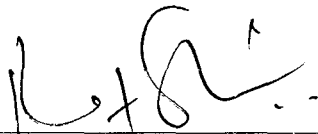
**AUTHORITY**



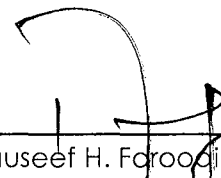
(Mathar Niaz Rana (nsc))  
Member



(Engr. Maqsood Anwar Khan)  
Member



(Rafique Ahmad Shaikh)  
Member



(Tauseef H. Farooqi)  
Chairman



**Three Gorges First Wind Farm Pakistan (Pvt.) Limited**  
**Quarterly Indexation/Adjustment of Tariff**

| Tariff Component                             | Reference<br>Tariff        | Revised<br>Jan-Mar 2023 | Indexation                        |
|--|----------------------------|-------------------------|-----------------------------------|
| Date of decisions                            | Oct 28,2016<br>Jan 22,2016 |                         |                                   |
|  | (Rs./kWh)                  |                         |                                   |
| *Fixed O&M–Local                             | 0.7673                     | 1.0362                  | CPI                               |
| Fixed O&M-Foreign                            | 0.8660                     | 2.4213                  | US CPI & Rs./US \$                |
| Return on Equity                             | 3.2125                     | 7.1814                  | Rs./US \$                         |
| Return on Equity during Construction         | 0.8383                     | 1.8740                  | Rs./US \$                         |
| Debt Service (Bi-Annual)                     |                            |                         | Rs./US \$                         |
| Principal repayment of debt - (Bi-annual)    | 10.0875                    | 22.5503                 | Rs./US \$                         |
| Interest                                     | 0.3666                     | 1.9046                  | LIBOR & Rs./US \$                 |
| <b>Total</b>                                 | <b>16.1382</b>             | <b>36.9678</b>          |                                   |
| <b>Indexation Values</b>                     |                            |                         | <b>Sources (Websites)</b>         |
| CPI (General)- Revised value of Jun 2020     | 199.400                    | 269.270                 | Pakistan Bureau of Statistics     |
| US CPI - Revised value of Nov 2022           | 238.031                    | 297.711                 | US Bureau of Labor Statistics     |
| Exchange Rate- Revised rate of Dec 30, 2022  | 101.50                     | 226.90                  | NBP                               |
| LIBOR 6 Month- Revised rate of Dec 30, 2022  | 0.3268%                    | 5.1389%                 | Global-rates.com or moneycave.com |
| Principal outstanding Foreign (US\$ million) |                            | 13,784,563              |                                   |
| Bi-annual Benchmark Energy (kWh)             |                            | 69,350,000              |                                   |

Above indexation is on the basis of the information provided by TGF and verified by NEPRA.

\*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.

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

