



**Registrar**

# **National Electric Power Regulatory Authority**

## **Islamic Republic of Pakistan**

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No. NEPRA/R/ADG(Trf)/TRF-259/PPDCL-2014/ 8261-65

June 05, 2024

Subject: **Decision of the Authority in the matter of Quarterly Indexation of the relevant Reference tariff Components of Pak Pattan Hydropower Project of Punjab Power Development Company Limited**

Dear Sir,

Please find enclosed herewith the Decision of the Authority along with revised tariff components at **Annex-I** (total 03 pages) regarding the Quarterly Indexation of the Pak Pattan Hydropower Project of Punjab Power Development Company Limited for the Quarters **July-September 2023 to April-June 2024** on account of US CPI, N-CPI (Local), Exchange Rate (PKR/USD/JPY) and LIBOR variations in Case No. NEPRA/TRF-259/PPDCL-2014.

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 the 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:**

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, Punjab Power Development Company Limited, Old Anarkali, 2nd Floor, Central Design Building, Irrigation Secretariat, Lahore



**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY  
INDEXATION OF THE RELEVANT REFERENCE TARIFF COMPONENTS OF PAK  
PATTAN HYDROPOWER PROJECT OF PUNJAB POWER DEVELOPMENT  
COMPANY LIMITED**

1. Pursuant to the Authority's decision dated February 04<sup>th</sup>, 2015 in the matter of Tariff petition filed by Punjab Power Development Company Limited (hereinafter referred as "PPDCL") for 2.82 MW Pakpattan Hydropower Project and the decision of the Authority dated March 10, 2021 notified vide S.R.O. No, 1041(1)/2023 on August 09, 2023 in the matter of change of base year 2007-2008 to base year 2015-16 for Consumer Price Index (CPI) for indexation of fixed and variable O&M (Local) components, the relevant tariff components are required to be adjusted on account of US CPI, N-CPI, Exchange Rate and LIBOR Yen variation.

2. PPDCL vide letter dated September 18, 2023, informed that it has achieved Commercial Operations Date (COD) on September 15, 2023, and has accordingly submitted a COD tariff adjustment application to the Authority. Subsequently vide letter dated January 15, 2024 PPDCL also requested the Authority to grant interim relief under Rule 4(7) of the NEPRA Tariff Standard and Procedure Rules, 1998 by allowing indexation of Tariff components for the period from COD till the announcement of COD tariff by the Authority. PPDCL on April 19, 2024 also requested to index the tariff till the Quarter April-June 2024

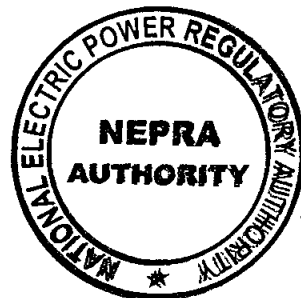
3. The Authority considered the request of PPDCL and in its collective and joint wisdom considering all aspects decided with consensus as under, which will be hereinafter referred to as the decision of the Authority in the matter;

*"Acceded to the request of Pakpattan Hydropower project by Punjab Power Development Company Limited PPDCL-Pakpattan and granted interim relief under Rule 4(7) of the NEPRA Tariff Standard and Procedure Rules, 1998 by allowing indexation of tariff components (including ROE/ROEDC) from COD date and shall be subject to adjustments if necessary in the light of the final decision of the Authority in COD tariff. Further the Water Use Charge (WUC) shall be paid to the power producer upon production of payment evidence to the power purchaser"*

4. Indexations/adjustments for the quarters July –Sept 2023 to April-June 2024 have been made in the tariff components on a provisional basis on account of US CPI, N-CPI (Local), exchange rate (PKR/USD/JPY) and LIBOR variations in accordance with the requisite indexation/adjustment mechanism stipulated in the decision(s) of the Authority and shall be subject to adjustments if necessary in the light of the final decision of the Authority in COD tariff.

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

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6. Power Purchaser to ensure that all the payments are consistent with tariff determination.

**AUTHORITY**

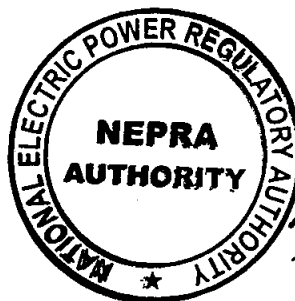
Mathar Niaz Rana (nsc)  
Member

Engr. Maqsood Anwar Khan  
Member

Engr. Rafique Ahmed Shaikh  
Member

Amina Ahmed  
Member

Waseem Mukhtar  
Chairman



5706/24

**PUNJAB POWER DEVELOPMENT COMPANY LIMITED (PPDCL)**  
**PAKPATTAN HYDROPOWER PROJECT**  
**INTERIM INDEXATIONS**

Tariff Components	Reference Tariff Feb 04, 2015 & Mar 10, 2021	Indexed Tariff Jul-Sept 2023	Indexed Tariff Oct-Dec 2023	Indexed Tariff Jan-Mar 2024	Indexed Tariff Apr-Jun 2024	Indexations
Variable O&M-Local (Rs./kWh)	0.4012	0.6981	0.7327	0.7753	0.7963	N-CPI Local
Fixed O&M - Local (Rs./kWh)	0.9628	1.6753	1.7584	1.8604	1.9109	N-CPI Local
Fixed O&M - Foreign (Rs./kWh)	0.1712	0.6146	0.6248	0.6103	0.6083	US CPI & Rs./US\$
Return on Equity (Rs./kWh)	2.1762	6.0698	6.1121	5.9705	5.8880	Rs./US\$
ROEDC (Rs./kWh)	0.4579	1.2772	1.2861	1.2563	1.2389	Rs./US\$
Deb Service (Rs./kWh)	2.7726	5.4834	5.4834	5.4737	5.4737	JPY/PKR & LIBOR
<b>Indexation Values</b>						<b>Source</b>
Exchange Rate (US\$/PKR)	102.93	287.10	289.10	282.40	278.50	NBP
Exchange Rate (JPY/PKR)	0.99	2.0013	2.0013	1.9967	1.9967	NBP
N-CPI Local Base Yr. 2015-16	131.01	227.96	239.27	253.15	260.01	Pakistan Bureau of Statistics
US CPI	236.29	304.13	307.03	307.05	310.33	US Bureau of Labor Statistics
6 Month Yen LIBOR	0.1890%	0.07165%	0.07165%	0.07165%	0.07165%	Global-rates.com
Capacity MW	2.82	2.82	2.82	2.82	2.82	Tariff Determination Feb 4, 2015
Outstanding Loan USD Mln	10.78	10.78	10.78	10.53	10.53	Tariff Determination Feb 4, 2015

Tariff Component	Reference Tariff Feb 04, 2015	Tariff Sep 15, 2023 to Sep 14, 2024	Indexations
Water Use Charge*(Rs./kWh)	0.1500	0.1500	N-CPI Local
<b>Indexation Values</b>			<b>Source</b>
N-CPI Local Base Yr. 2015-16	131.01	131.01	Pakistan Bureau of Statistics

Based on information provided by PPDCL.

\*Water Use Charges (WUC) is subject to indexation on annual basis. According to PPDCL Pakpattan hydropower project achieved COD on Sept 15, 2023, thus same will remain applicable till Sept 14, 2024. Moreover, WUC shall be paid to the power producer upon production of payment evidence to the power purchaser

The above Indexations are on provisional basis and shall be subject to adjustment in light Authority's COD Decision.

*[Handwritten signature]*

