



**Registrar**

# **National Electric Power Regulatory Authority**

## **Islamic Republic of Pakistan**

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No. NEPRA/R/ADG(Tariff)TRF-260/PPDCL-2014/ 8267-71

June 05, 2024

Subject: **Decision of the Authority in the matter of Quarterly Indexation of the relevant Reference Tariff Components of Marala Hydropower Project of Punjab Power Development Company Limited [Case # NEPRA/TRF-260/PPDCL-2014]**

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 Marala Hydropower Project of Punjab Power Development Company Limited for the Quarters **April-June 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-260/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 MARALA HYDROPOWER PROJECT OF PUNJAB  
POWER DEVELOPMENT COMPANY LIMITED**

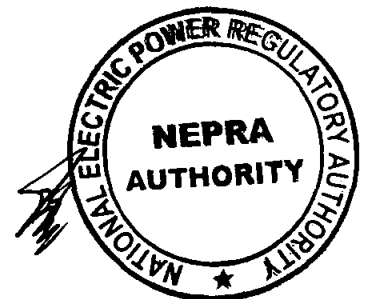
1. Pursuant to the Authority's decision dated February 12, 2015 in the matter of Tariff petition filed by Punjab Power Development Company Limited (hereinafter referred as "PPDCL") for 7.64 MW Marala Hydropower Project and the decision of the Authority dated March 10, 2021 notified vide S.R.O. No, 1041(1)/2023 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 July 14, 2023 informed that it has achieved Commercial Operations Date (COD) on April 28, 2023, and has accordingly submitted a COD tariff adjustment application to the Authority. Subsequently on April 19, 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 till April-June 2024 Quarter.

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 Marala Hydropower Project by Punjab Power Development Company Limited and granted interim relief under Rule 4(7) of the NEPRA Tariff Standard and Procedure Rules 1998 by allowing indexation of Tariff Components 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 Charges (WUC) shall be paid to the power producer upon production of payment evidence to the power purchaser"*

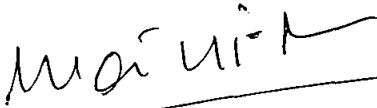
4. Indexations/adjustments for the quarters April-June 2023 to April-June 2024 have been made in the tariff components on a provisional basis on account of US CPI, N-CPI (Local), exchange rate (PKR/USD/JPY) and LIBOR variations in accordance with the requisite indexation/adjustment mechanism stipulated 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.



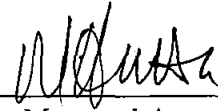
5. The above referred revised tariff components attached as **Annex-I** is to be notified in the official gazette, in terms of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.
6. Power Purchaser to ensure that all the payments are consistent with tariff determination.

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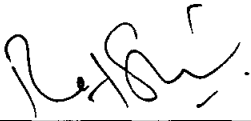
**AUTHORITY**



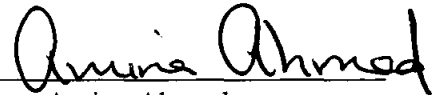
Mathar Niaz Rana (nsc)  
Member



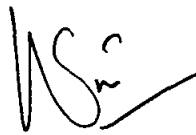
Engr. Maqsood Anwar Khan  
Member



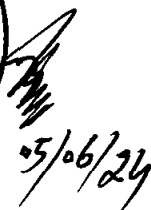
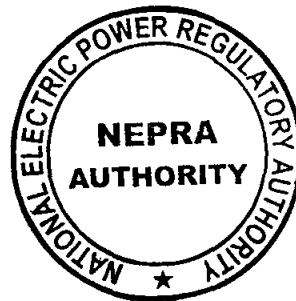
Engr. Rafique Ahmed Shaikh  
Member



Amina Ahmed  
Member



Waseem Mukhtar  
Chairman



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PUNJAB POWER DEVELOPMENT COMPANY LIMITED (PPDCL) MARALA HYDROPOWER PROJECT INTERIM INDEXATIONS							
Tariff Components	Reference Tariff Feb 12, 2015 & Mar 10, 2021	Indexed Tariff April - June 2023	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)	0.4749	0.7426	0.8263	0.8673	0.9176	0.9425	N-CPI Local
Fixed O&M - Local (Rs./kWh)	1.1397	1.7822	1.9830	2.0814	2.2022	2.2618	N-CPI Local
Fixed O&M - Foreign (Rs./kWh)	0.2027	0.7123	0.7277	0.7397	0.7226	0.7203	US CPI & Rs./US\$
Return on Equity (Rs./kWh)	2.5760	7.1099	7.1850	7.2350	7.0673	6.9697	Rs./US\$
ROEDC (Rs./kWh)	0.5603	1.5465	1.5628	1.5737	1.5372	1.5160	Rs./US\$
Debt Service (Rs./kWh)	3.2819	5.5466	6.4940	6.4940	6.4824	6.4824	JPY/PAK & LIBOR
<b>Indexation Values</b>							<b>Source</b>
Exchange Rate (US\$/PAK)	102.93	284.10	287.10	289.10	282.40	278.50	NBP
Exchange Rate (JPY/PAK)	0.99	1.7102	2.0013	2.0013	1.9967	1.9967	NBP
N-CPI Local Base Yr. 2015-16	131.01	204.87	227.96	239.27	253.15	260.01	Pakistan Bureau of Statistics
US CPI	236.29	300.840	304.13	307.03	307.05	310.33	US Bureau of Labor Statistics
6 Month Yen LIBOR	0.189	0.7165%	0.07165%	0.07165%	0.07165%	0.07165%	Global-rates.com
Capacity MW	7.64	7.64	7.64	7.64	7.64	7.64	Tariff Determination Feb 12, 2015
Outstanding Loan USD Mln	29.44	29.44	28.76	28.76	28.04	28.04	Tariff Determination Feb 12, 2015
Tariff Component	Reference Tariff Feb 12, 2015	Tariff April 28, 2023 to April 27, 2024				Indexed Tariff Apr 28, 2024- April, 27, 2025	Indexations
Water Use Charge* (Rs./kWh)	0.1500	0.1500				0.3028	N-CPI Local
<b>Indexation Values</b>							<b>Source</b>
N-CPI Local Base Yr. 2015-16	131.01	131.01				264.46	Pakistan Bureau of Statistics

Based on information provided by PPDCL.

\*Water Use Charges (WUC) is subject to indexation on annual basis. According to PPDCL Marala hydropower project achieved COD on April 28, 2023, accordingly WUC has been indexed from April 28, 2024 by taking the N-CPI revised value of March 2024 and shall remain applicable till April 27, 2025. Moreover WUC shall be paid to the power producer upon production of payment evidence to the power purchaser.

Indexation is on provisional basis and shall be subject to adjustment in light of the Authority's COD Decision.

*[Handwritten signature]*

