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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-172/SHPL-2011/2438-2443

February 17, 2022

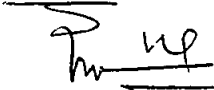
Subject: Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for 147 MW Patrind Hydropower Project of Star Hydro Power Ltd. (Case No. NEPRA/TRF-172/SHPL(EPC)-2011)

Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised tariff components (Annex-I(A), Annex-I (B) and Annex-I(C) (04 pages) regarding quarterly indexation/adjustment of tariff of Star Hydro Power Ltd. for the quarters falling in the period from January 2018 to September 2021 on account of US CPI, CPI (Local/General), LIBOR and US \$ / PKR Exchange Rate Variation in Case No. NEPRA/TRF-172/SHPL-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


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(Syed Safeer Hussain)

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. Managing Director, National Transmission & Despatch Co. Ltd. (NTDC)
414 WAPDA House, Shahrah-e-Quaid-e-Azam, Lahore Tele: 042 - 9920 2229
4. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
5. Chief Executive Officer, Star Hydro Power Limited (SHPL), Usman Square, 3rd & 4th Floor, Main Double Road, E-11/2, Islamabad-Pakistan.

**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY
INDEXATION/ADJUSTMENT OF TARIFF FOR 147 MW PATRIND HYDROPOWER PROJECT
(STAR HYDRO LIMITED)**

Pursuant to the Authority's Determination in case No.NEPRA/R/SA(Tariff)TRF-172/SHPL-2011/19480-19482 dated July 29, 2020, notified vide S.R.O. 962/(I)/2021 dated July 29, 2021, in the matter of adjustment at commercial operation date, the tariff component for the quarters falling in the period from January 2018 to September 2021 has been revised on account of US CPI, CPI (Local/General), US\$/PKR exchange rate variation and LIBOR in accordance with the requisite indexation/adjustment mechanism stipulated in the aforementioned determination/decision of the Authority.

2. The revised tariff components attached as **Annex-I (A), Annex-I (B) & Annex I-(C)** 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 payments are consistent with tariff determination(s).

AUTHORITY



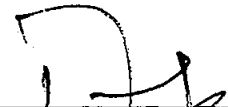
Rehmatullah Baloch
Member



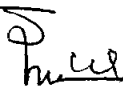
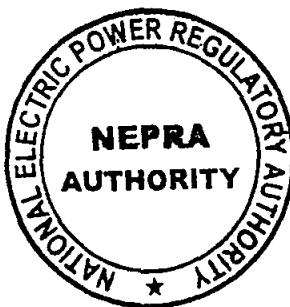
Rafique Ahmed Shaikh
Member



Engr. Maqsood Anwar Khan
Member



Tauseef H. Farooqi
Chairman

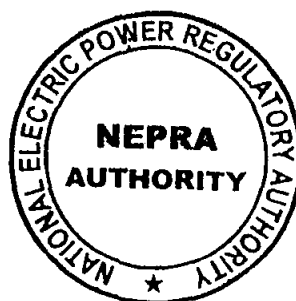


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Star Hydro Power Limited

Indexation

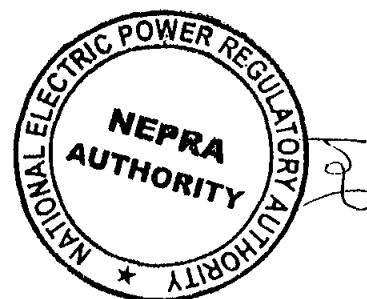
Tariff Components	Reference COD	Jan 01-Mar 31, 2018	Apr 01-Jun 30, 2018	July 01-Sept 30, 2018	Oct 01 - Nov 07, 2018	08-Nov-Dec 31, 2018
Variable O & M Local (Rs/kWh)	0.0344	0.0349	0.0349	0.0358	0.0363	0.0363
Water usage charges (Rs/kWh)	0.1500	0.1500	0.1500	0.1500	0.1500	0.1570
Fixed O & M Foreign (Rs/kW/Month)	162.3038	164.7689	173.2730	184.0939	196.5825	196.5825
Fixed O & M Local (Rs/kW/Month)	107.6680	109.2314	109.2099	111.8951	113.6951	113.6951
Return On Equity (Rs/kW/Month)	793.1840	838.2720	873.7945	918.8704	978.0041	978.0041
Return on Equity During Construction (Rs/kW/Month)	484.0221	511.5360	533.2128	560.7193	596.8043	596.8043
Principal Repayment (Rs/kW/Month)	815.5976	857.0791	857.0791	921.6608	921.6608	921.6608
Interest Charges (Rs/kW/Month)	855.0705	898.5596	898.5596	966.2669	966.2669	966.2669
Indexation Values						
Exchange Rate for O&M	105.4400	106.65	111.17	116.90	124.42	124.42
Exchange Rate for Return	100.9100	106.65	111.17	116.90	124.42	124.42
Exchange Rate Semi Annual for Debt	100.9100	106.04	106.04	114.03	114.03	114.03
CPI - Local Quarterly	216.9267	220.08	220.03	225.44	229.07	229.07
CPI - Local Annual for WUC	214.7400	214.74	214.74	214.74	214.27	224.81
CPI- US Quarterly	245.7080	246.62	248.80	251.37	252.20	252.20
LIBOR	1.4477%	1.8371%	1.8371%	2.5097%	2.5097%	2.5097%



Star Hydro Power Limited

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Tariff Components	Reference COD	Jan 01-March 31, 2019	April 01-June 30, 2019	July 01-Sept 30, 2019	Oct 01 - Nov 07, 2019	08-Nov- Dec 31, 2019
Variable O & M Local (Rs/kWh)	0.0344	0.0372	0.0378	0.0389	0.0405	0.0405
Water usage charges (Rs/kWh)	0.1500	0.1570	0.1570	0.1570	0.1570	0.1715
Fixed O & M Foreign (Rs/kW/Month)	162.3038	212.1992	220.6187	235.5776	254.6442	254.6442
Fixed O & M Local (Rs/kW/Month)	107.6680	116.3108	118.2449	121.8979	126.7752	126.7752
Return On Equity (Rs/kW/Month)	793.1840	1,056.3049	1,094.5483	1,154.9216	1,244.9826	1,244.9826
Return on Equity During Construction (Rs/kW/Month)	484.0221	644.5855	667.9227	704.7640	759.7217	759.7217
Principal Repayment (Rs/kW/Month)	866.9291	1,111.7229	1,111.7229	1,229.3055	1,229.3055	1,229.3055
Interest Charges (Rs/kW/Month)	803.7390	1,030.6900	1,030.6900	1,139.7020	1,139.7020	1,139.7020
Indexation Values						
Exchange Rate for O&M	105.4400	134.38	139.25	146.93	158.39	158.39
Exchange Rate for Return	100.9100	134.38	139.25	146.93	158.39	158.39
Exchange Rate Semi Annual for Debt	100.9100	129.40	129.40	143.09	143.09	143.09
CPI - Local Quarterly	216.9267	234.34	238.24	245.60	255.42	255.42
CPI - Local Annual for WUC	214.7400	224.81	224.81	224.81	224.81	245.56
CPI- US Quarterly	245.7080	252.05	252.90	255.93	256.63	256.63
LIBOR	1.4477%	2.8756%	2.8756%	2.2005%	2.2005%	2.2005%



Star Hydro Power Limited

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Tariff Components	Reference COD	Jan 01-March 31, 2020	April 01-June 30, 2020	July 01-Sept 30, 2020	Oct 01 - Nov 07, 2020	08-Nov-Dec 31, 2020	Reference COD	Jan 01-March 31, 2021	April 01-June 30, 2021	July 01-Sept 30, 2021
Variable O & M Local (Rs/kWh)	0.0344	0.0416	0.0423	0.0425	0.0425	0.0425	0.0344	0.0425	0.0425	0.0425
Water usage charges (Rs/kWh)	0.1500	0.1715	0.1715	0.1715	0.1715	0.1867	0.1500	0.1867	0.1867	0.1867
Fixed O & M Foreign (Rs/kW/Month)	162.3038	251.2827	252.3242	263.9463	272.4221	272.4221	162.3038	262.8792	262.0542	261.6575
Fixed O & M Local (Rs/kW/Month)	107.6680	130.1833	132.3622	133.1233	133.1233	133.1233	107.6680	133.1233	133.1233	133.1233
Return On Equity (Rs/kW/Month)	793.1840	1,225.9365	1,225.8760	1,289.3027	1,315.8161	1,315.8161	793.1840	1,266.8101	1,249.4267	1,219.0133
Return on Equity During Construction (Rs/kW/Month)	484.0221	748.0992	748.0623	786.7670	802.9462	802.9462	484.0221	773.0414	762.4336	743.8746
Principal Repayment (Rs/kW/Month)	921.4912	1,435.3103	1,435.3103	1,461.0198	1,461.0198	1,461.0198	979.4874	1,596.2233	1,596.2233	1,524.1141
Interest Charges (Rs/kW/Month)	749.1768	1,166.9142	1,166.9142	1,187.8160	1,187.8160	1,187.8160	691.1806	1,126.3836	1,126.3836	1,075.4994
Indexation Values										
Exchange Rate for O&M	105.4400	155.97	155.96	164.03	167.40	167.40	105.4400	161.17	158.95	155.08
Exchange Rate for Return	100.9100	155.97	155.96	164.03	167.40	167.40	100.9100	161.17	158.95	155.08
Exchange Rate Semi Annual for Debt	100.9100	157.18	157.18	159.99	159.99	159.99	100.9100	164.45	164.45	157.02
CPI - Local Quarterly	216.9267	262.29	266.68	268.21	268.21	268.21	216.9267	268.21	268.21	268.21
CPI - Local Annual for WUC	214.7400	245.56	245.56	245.56	245.56	267.35	214.7400	267.35	267.35	267.35
CPI- US Quarterly	245.7080	257.18	258.25	256.86	259.77	259.77	245.7080	260.36	263.16	269.32
LIBOR	1.4477%	1.9121%	1.9121%	0.3693%	0.3693%	0.3693%	1.4477%	0.2576%	0.2576%	0.1595%

*For the purpose of indexation of Local O&M components for July-Sept 2020 and onwards Quarters till July to September 2021, the averages of the CPIs for previous quarters were required to be used. However, the Pakistan Bureau of Statistics has discontinued the publication of CPI for the base year 2007-08 w.e.f. July 2020 and replaced it with National CPI for new base year 2015-16. As per the relevant provision of the PPA, the average of the latest available CPI of April, May & June 2020 for the base year 2007-08 has been used for the instant indexation/adjustment. For the purpose of Water Use Charge (WUC) Indexation, for the period from November 08, 2020, to November 07, 2021, the averages of the CPIs of the last years i.e. November 2019 to October 2020 were required, however, due to the discontinuance of CPI from July 2020, the average of the whole year may not be taken, therefore the last available CPI of June 2020 (269.27) has been used for July, August, September, October 2020 for the average value of Nov 2019 to Oct 2020 period. The indexation of Local O&M components and WUC are being made on a provisional basis, subject to the notification of the Authority's decision dated March 10, 2021, with regard to the replacement of CPI base year 2007-8 with N-CPI base year 2015-16 and Authority's review decision in the matter of motion for leave for review (MLR) filed by the petitioner.

**The Authority wide its decision dated March 10, 2021 replaced CPI Base Year 2007-08 with N-CPI Base Year 2015-16. The decision shall be implemented upon Notification in the Official Gazette.

