



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.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/R/ADG(Trf)/TRF-354/AJPPL-2016/ 260/-05

February 18, 2022

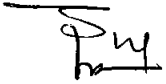
**Subject: Decision of the Authority for Quarterly Indexation / Adjustment of Tariff of AJ Power (Private) Ltd. (AJPPL) for the period from November 29, 2021 – December 31, 2021 and for the quarter from January-March 2022 [Case No. NEPRA/TRF-354/AJPPL-2016]**

Dear Sir,

Please find enclosed herewith the decision of the Authority along with Annex-I (02 pages) regarding quarterly indexation/adjustment of tariff of AJ Power (Pvt.) Ltd. for the period from November 29, 2021 – December 31, 2021 and for the quarter from January-March 2022 in Case No. NEPRA/ TRF-354/AJPPL-2016.

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

  
18 02 22

( 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. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
4. Company Secretary, AJ Power (Pvt.) Ltd., 127-S, Quaid-e-Azam Industrial Estate, Township, Kotlakhpat, Lahore

**DECISION OF THE AUTHORITY FOR QUARTERLY INDEXATION/ADJUSTMENT OF TARIFF OF AJ POWER (PRIVATE) LIMITED ("AJPL") FOR THE PERIOD FROM NOVEMBER 29, 2021-DECEMBER 31, 2021 AND FOR THE QUARTER FROM JANUARY-MARCH, 2022**

The Authority issued its decision in the matter of tariff adjustment at Commercial Operation Date (COD) of AJ Power (Private) Limited (AJPL) on July 08, 2019. Subsequently, the Authority vide decision dated April 09, 2021 in the matter of application filed by Central Power Purchasing Agency Guarantee Ltd. (CPPAGL) adjusted the aforesaid decision dated July 08, 2019 which has been notified through S.R.O 713(I)/2021 dated June 04, 2021.

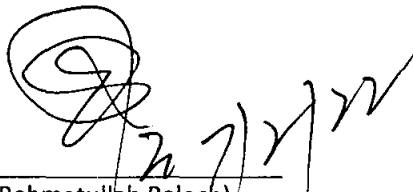
2. The aforesaid decision of the Authority dated April 09, 2021 was approved to become effective as per the timeline agreed in the Master Agreement signed between CPPAGL and AJPL. CPPAGL vide letter dated January 06, 2022 has informed that the said decision dated April 09, 2021 has become effective on November 29, 2021.

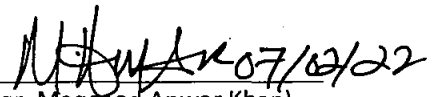
3. In pursuance to decision issued on July 08, 2019, the Authority on November 04, 2021 adjusted/indexed the tariff of AJPL for the quarter October-December, 2021. Now in pursuance to decision dated April 09, 2021, the adjusted/indexed tariff for the quarter October-December, 2021 issued on November 04, 2021 is being modified, which shall be applicable from November 29, 2021 till December 31, 2021. In addition, the tariff for the quarter January-March, 2022 has also been adjusted in accordance with above mentioned decisions. The revised tariff for the period from November 29, 2021-December 31, 2021 and for the quarter January-March, 2022 is attached herewith as **Annex-I**.

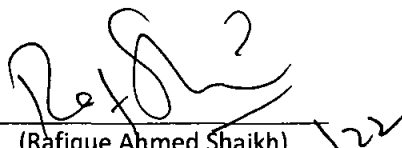
4. The adjusted/ indexed tariff attached as **Annex-I** is to be notified in the official gazette in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

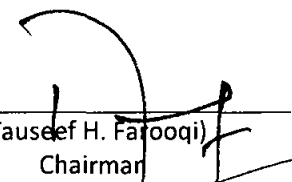
5. CPPAGL to ensure that all the payments are consistent with tariff determination.

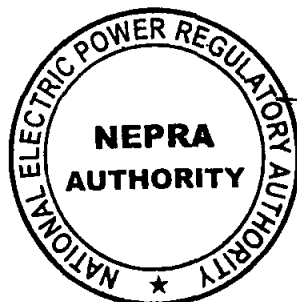
**AUTHORITY**

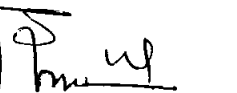
  
(Rehmatullah Baloch)  
Member

  
(Engr. Maqsood Anwar Khan)  
Member

  
(Rafique Ahmed Shaikh)  
Member/Vice Chairman

  
(Tauseef H. Farooqi)  
Chairman



  
18 02 22

**AJ Power (Private) Limited**  
**Quarterly Indexation/Adjustment of Tariff**

Tariff Component	Reference Tariff	Revised Nov 29-Dec 31, 2021	Revised Jan-Mar 2022
------------------	---------------------	-----------------------------------	----------------------------

Fixed O&M-Local *	1.1135	1.4871	1.4871
Fixed O&M-Foreign	0.4772	0.8906	0.9419
Return on Equity	3.0023	4.8880	5.0882
Principal repayment of debt-Foreign	2.9542	4.8097	5.0067
Interest-Foreign	1.1274	1.4470	1.5470
Principal repayment of debt-Local	3.2704	3.2704	3.2704
Interest-Local	1.3007	1.3007	1.3007
<b>Total</b>	<b>13.2457</b>	<b>18.0936</b>	<b>18.6420</b>

**Indexation Values**

CPI (General)	201.620	269.270	269.270
US CPI	238.654	273.567	277.948
Exchange Rate	105.000	170.950	177.950
LIBOR 3 month	1.2906%	0.1301%	0.2091%

\* For the purpose of indexation of Fixed O&M (Local) component for October-December, 2021 quarter, CPI for August 2021 and for the Jan-Mar, 2022, CPI for November 2021 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.

