



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-2016/2643-47

February 14, 2023

Subject: **Decision of the Authority in the matter of Quarterly Indexation / Adjustment of Tariff of AJ Power (Private) Ltd. (AJPPL) [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 quarter January-March 2023 on account of US CPI, CPI (Local), Exchange Rate and LIBOR variation 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

Secretary
Ministry of Energy (Power Division)
'A' Block, Pak Secretariat
Islamabad


(Engr. Mazhar Iqbal Ranjha)

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. Company Secretary, AJ Power (Pvt.) Ltd., 127-S, Quaid-e-Azam Industrial Estate, Township, Kotlakhpat, Lahore



**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ ADJUSTMENT
OF TARIFF FOR AJ POWER (PRIVATE) LIMITED**

Pursuant to the decision of the Authority dated July 08, 2019 in the matter of tariff adjustment of AJ Power (Private) Limited at Commercial Operation Date (COD) notified vide S.R.O. 1157(I)/2019 on September 19, 2019. The relevant tariff components of AJPPL in respect of quarter January-March, 2023 have been revised on account of US CPI, CPI (Local), exchange rate, and LIBOR variation in accordance with the requisite indexation/adjustment mechanism stipulated in the above referred decision(s) of the Authority indicated in Annex-I.

2. 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.

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

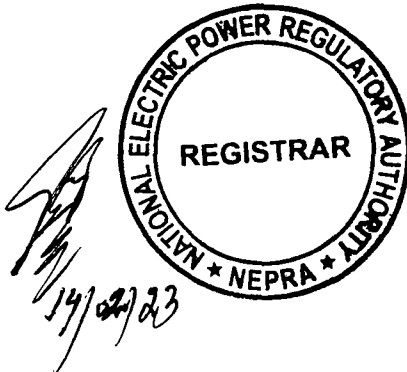
AUTHORITY

(Mathar Niaz Rana (nsc))
Member

(Engr. Maqsood Anwar Khan)
Member

(Rafique Ahmad Shaikh)
Member

(Tauseef H. Farooq)
Chairman



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

Tariff Component	Reference Tariff	Revised Jan-Mar 2023	Indexation
Date of Decisions	Apr 09, 2021 Jul 08, 2019		
	Rs./kWh		
Fixed O&M-Local *	1.1135	1.4871	CPI
Fixed O&M-Foreign	0.4772	1.2864	US CPI & Rs./US \$
Return on Equity	3.0023	6.4878	Rs./US \$
Principal repayment of debt-Foreign	3.1290	6.7617	Rs./US \$
Interest-Foreign	0.9526	3.3240	LIBOR & Rs./US \$
Principal repayment of debt-Local	3.4710	3.4710	-
Interest-Local	1.1001	1.1001	-
Total	13.2457	23.9181	
Indexation Values			Sources (Websites)
CPI (General)	201.620	269.270	Pakistan Bureau of Statistics
US CPI	238.654	297.711	Bureau of Labor Statistics
Exchange Rate	105.000	226.900	NBP
LIBOR 3 month	1.2906%	4.7673%	Global-rates.com or moneycafe.com
Principal Outstanding Foreign Loan (US\$/MW)		238,898	COD Decision dated July 08, 2019
Principal Outstanding Local Loan (Rs./MW)		27,954,498	
Quarterly Benchmark Energy (kWh)		4,467,600	

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

AJPPL has used US CPI of 296.797 (Dec 22) instead of 297.711 (Nov 22). Also 3 months LIBOR of 4.7786% is claimed by AJPPL as against 4.7673% applicable on December 30, 2022.

* For the purpose of indexation of Fixed O&M (Local) component for January-March, 2023 quarter, CPI for November 2022 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.

