



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/DG(Trf)/TRF-354/AJPPL-2016/ 31404-08

August 17, 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** (total 02 pages) regarding quarterly indexation/adjustment of tariff of AJ Power (Pvt.) Ltd. for the quarter **July-September 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

(Engr. Mazhar Iqbal Ranjha)

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

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. Thereafter, the Authority approved the Application/Review Motion for Revision of Upfront Tariff Determination of AJPPL filed by CPPA-G for Reduction of ROE and O&M Component and Decision of the Authority was issued on April 9, 2021. The relevant tariff components of AJPPL in respect of quarter Jul-Sep, 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

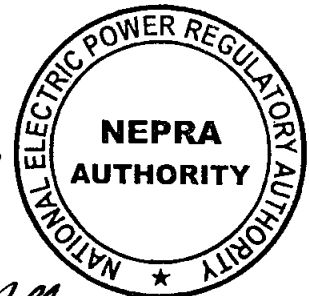
(Mathar Niaz Rana (nsc))
Member

(Engr. Maqsood Anwar Khan)
Member

(Rafique Ahmed Shaikh)
Member

(Amina Ahmed)
Member

(Tauseef H. Farooqi)
Chairman



17/8/23

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

Tariff Component	Reference Tariff	Revised Tariff	Indexation
Date of Decisions	Jul 08, 2019 Apr 09, 2021	Jul-Sep 2023	
	Rs./kWh		
Fixed O&M-Local *	1.1135	1.4871	CPI
Fixed O&M-Foreign	0.4772	1.6628	US CPI & Rs./US \$
Return on Equity	3.0023	8.2091	Rs./US \$
Principal repayment of debt-Foreign	3.1290	8.5557	Rs./US \$
Interest-Foreign	0.9526	4.3822	LIBOR & Rs./US \$
Principal repayment of debt-Local	3.4710	3.4710	-
Interest-Local	1.1001	1.1001	-
Total	13.2457	28.8680	
Indexation Values			Sources (Websites)
CPI (General) of June 2020	201.620	269.270	Pakistan Bureau of Statistics
US CPI of May 2023	238.654	304.127	Bureau of Labor Statistics
Exchange Rate of June 30, 2023	105.000	287.100	NBP
LIBOR 3 month of June 30, 2023	1.2906%	5.5454%	Global-rates.com
Principal Outstanding Foreign Loan (US\$/MW)		216,711	
Principal Outstanding Local Loan (Rs./MW)		25,370,241	
Quarterly Benchmark Energy (kWh)		372,300	

Above indexation is on the based on the information provided by AJPPL.

For the purpose of indexation of Fixed O&M (Local) component for Jul-Sep, 2023 quarter, CPI for May 2023 was 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.

