



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-517/AEPL-2020/32966-32968

July 29, 2021

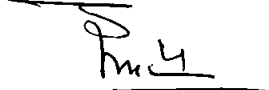
Subject: Decision of the National Electric Power Regulatory Authority in the matter of Tariff Petition filed by Access Electric (Private) Ld. for Modification of Tariff Determination dated December 30, 2020 (Case No. NEPRA/TRF-517/AEPL-2020)

Dear Sir,

Please find enclosed herewith subject Decision of the Authority (02 Pages) in Case No. NEPRA/TRF-517/AEPL-2020.

2. The Decision is being intimated to the Federal Government for the purpose of notification in the official Gazette pursuant to Section 31 (7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.
3. The Order Part of the Decision is to be notified in the Official Gazette.

Enclosure: As above


29 07 21
(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.



**DECISION OF THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY IN THE MATTER OF TARIFF
PETITION FILED BY ACCESS ELECTRIC PRIVATE LIMITED FOR MODIFICATION OF TARIFF
DETERMINATION DATED DECEMBER 30, 2020**

1. M/s Access Electric (Pvt.) Limited ("AEPL" or "the petitioner" or the company/project company") filed a tariff petition before National Electric Power Regulatory Authority ("NEPRA" or "the Authority") on June 15, 2021 for modification of tariff determination issued on December 30, 2020 ("Tariff Determination"). The subject petition was filed by AEPL under section 7 and 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 ("the NEPRA Act") and in terms of Rule 3 of the NEPRA (Tariff Standards & Procedure) Rules, 1998 ("Tariff Rules"). The petitioner requested for the change in paragraph No. 25 of the Tariff Determination which says the following:

"The Authority also considered the request of the petitioner with respect to allowing prior development cost. It was noted that the petitioner was asked to provide the information about those claims, however, AEPL submitted that it shall be submitting the same at the time of adjustment of tariff at COD. The Authority considered these details and decided that the compensation of legitimate cost of the project company due to its prolonged development period would be given due deliberations on the basis of verifiable documentary evidence at the time of tariff adjustment request at COD."

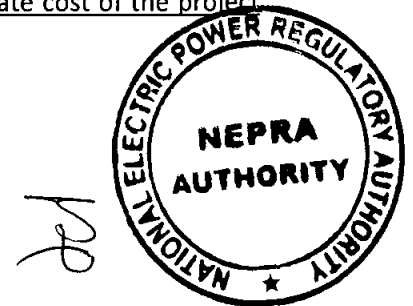
2. AEPL stated that there seems to be a misinterpretation that the petitioner told the Authority that details of prior developments costs shall be submitted at COD. AEPL submitted that the details were not provided during the proceedings of Tariff Determination to avoid the delay and to allow the said adjustment at a later stage. In the subject petition, AEPL has requested to modify the Tariff Determination and allow it to apply for prior period development costs prior to financial close, as against at the time of COD. The ground of the said request, according to the petitioner, is that for lenders to recognize prior period development cost as part of the project cost, such costs need to be approved by the Authority before financial close. Otherwise, that amount will not be recognized by the lenders and the possibility of reimbursement of such costs for financing after COD would be minimal.
3. The Authority admitted the subject petition for processing. The Authority is of the view that the request has been made to secure the financing from the lenders in respect of prior period development expenses. After deliberations on the matter, the Authority has decided to accede to the request of the petitioner.

Order

4. The Authority has decided to modify the paragraph 25 of the Tariff Determination as follows:

"The Authority also considered the request of the petitioner with respect to allowing prior development cost. It was noted that the petitioner was asked to provide the information about those claims, however, AEPL submitted that it shall be submitting the same at the time of adjustment of tariff at COD. The Authority considered these details and decided that the compensation of legitimate cost of the project

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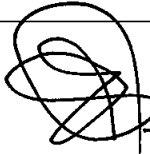


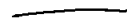


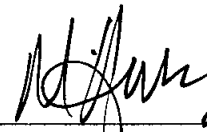
company due to its prolonged development period would be given due deliberations on the basis of verifiable documentary evidence before the financial close. For that purpose, the petitioner shall be required to file the tariff petition following the relevant provisions of applicable law"

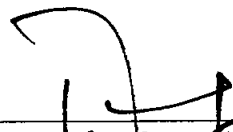
5. The Order part is recommended for notification by the Federal Government in the official gazette in accordance with Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

AUTHORITY


29/7/21
Rehmatullah Baloch
Member


Engr. Rafique Ahmed Sheikh
Member


29/07/21
Engr. Masood Anwar Khan
Member


Tauseef H. Farooqi
Chairman

