

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/SA(Tariff)/TRF-342/CPHGCL-2015/19975-19977
August 6, 2020

**Subject: Decision of the Authority in the Matter of Quarterly Indexation/Adjustment of
Tariff for China Power Hub Generation Company Private Limited (Case No.
NEPRA/TRF-342/CPHGCL-2015)**

Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised tariff components (Annex-I) (02 pages) regarding quarterly indexation/adjustment of tariff of China Power Hub Generation Company Private Limited for the quarter July – September 2020 on account of US CPI, US ECI, CPI (Local), KIBOR/LIBOR, Exchange Rate, Coal Price(s) and Coal Calorific value(s) variation in Case No. NEPRA/TRF-342/CPHGCL-2015.

2. The decision is being intimated to the Federal Government for the purpose of notification of adjustment in the approved tariff through the official Gazette pursuant to Section 31 (7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

3. The revised Tariff Components attached as Annex-I are to be notified in the official Gazette.

Enclosure: As above

6/8/20
(Iftikhar Ali Khan)

Secretary,
Ministry of Energy (Power Division),
Government of Pakistan
'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 AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ ADJUSTMENT OF TARIFF
FOR CHINA POWER HUB GENERATION COMPANY PRIVATE LIMITED.**

Pursuant to the decision of the Authority dated February 12, 2016 in the matter of application of China Power Hub Generation Company Private Limited (hereafter "CPHGCL") for unconditional acceptance of upfront coal tariff for 2x660 MW coal power plant, decision of the Authority dated July 28, 2017 in the matter of application by CPHGCL for approval of cost of dedicated jetty along with Coal Transshipment Service and decision of the Authority dated November 7, 2018 regarding ash disposal & limestone, the relevant tariff components in respect of July-September 2020 quarter have been revised on account of US CPI, US ECI, CPI (Local), KIBOR/LIBOR, Exchange Rate, Coal Price(s) and Coal Calorific Value(s) variation. Ash Disposal and Limestone components of tariff are subject to adjustment at the time of COD, therefore, there is no change in the ash disposal and limestone components and shall be revised after COD adjustment. The revised tariff indicated hereunder shall be immediately applicable:

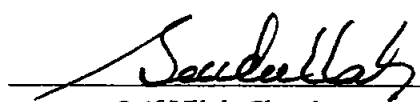
Tariff Components	Reference Tariff	Revised July-Sep 2020 Quarter
Capacity Charge (Rs./KWh)		
Fixed O&M - Foreign	0.1435	0.2683
Fixed O&M - Local	0.1435	0.1977
Cost of Working Capital	0.2276	0.2069
Insurance	0.1021	0.1021
Fixed CTS Component	0.1732	0.3229
Return on Equity	1.1872	2.0632
Debt Repayment	1.0921	1.8465
Interest Charge	0.5771	0.9975
Total	3.6463	6.0051
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.0684	0.1279
Variable O&M - Local	0.0456	0.0628
Ash Disposal	0.2200	0.2200
Limestone	0.0900	0.0900
Total	0.4240	0.5007

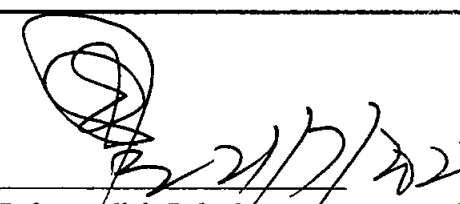
Indexation allowed to CPHGCL is purely on provisional basis till finalization of its COD tariff by the Authority and shall be subject to adjustment/refund, if necessary, in the light of final decision of the Authority.


The above referred revised tariff components attached as **Annex-I** 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.

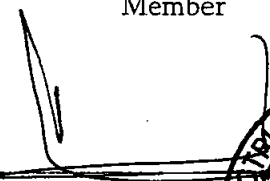
CPPA (G) to ensure that all payments are consistent with the tariff determination.

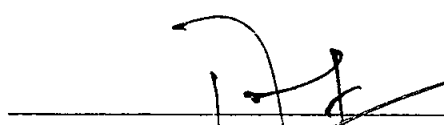
AUTHORITY

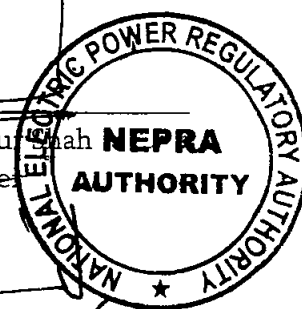

Saif Ullah Chattha
Member 21.7.2020


Rehmatullah Baloch
Member


Engr. Rafique Ahmed Shaikh
Member


Engr. Bahadur Shah
Member


Tauseef H. Farooqi



China Power Hub Generation Company (Pvt.) Ltd.
Quarterly Indexation/ Adjustment of Tariff

Tariff Components	Reference Tariff	Revised July-Sep 2020 Quarter
Capacity Charge (Rs./KWh)		
Fixed O&M - Foreign	0.1435	0.2683
Fixed O&M - Local	0.1435	0.1977
Cost of Working Capital	0.2276	0.2069
Insurance	0.1021	0.1021
Fixed CTS Component	0.1732	0.3229
Return on Equity	1.1872	2.0632
Debt Repayment	1.0921	1.8465
Interest Charge	0.5771	0.9975
Total	3.6463	6.0051
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.0684	0.1279
Variable O&M - Local	0.0456	0.0628
Ash Disposal	0.2200	0.2200
Limestone	0.0900	0.0900
Total	0.4240	0.5007
Indexation Values		
Exchange Rate (Rs./USD)	97.10	168.750
US CPI (All Urban Consumers)	238.34	256.394
CPI (General) - Local	194.74	268.250
3 Monthly KIBOR	11.91%	7.26%
3 Monthly LIBOR	0.45%	0.302%
Coal Price (Rs./MT)	12,532	14,498
Coal Calorific Value (BTU/Kg)	25,556	21,842
Fixed CTS Charges (USD/day)	52,000	55,779
US ECI (Seasonally Adjusted)	133.20	145.300
Principal Outstanding (USD. Million)	-	660.150
Hours in the quarter	-	2,208

