



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-342/CPHGCL-2015/2/20/-05 November 3, 2022


Subject: Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for China Power Hub Generation Company Private Limited for July-September 2022 Quarter (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) (03 pages) regarding quarterly indexation/adjustment of tariff of China Power Hub Generation Company Private Limited for the quarter July-September 2022 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 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


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(Syed Safeer Hussain)

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

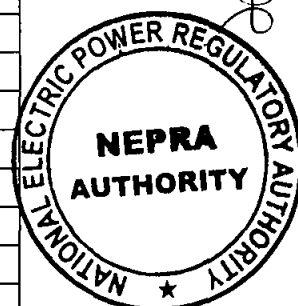
CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
4. Chief Executive Officer, China Power Hub Generation Company Ltd.
10th Floor, Ocean Tower, Block 9, Main Clifton Road, Karachi
[Tele: 021 – 3530 3531]

DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ ADJUSTMENT OF TARIFF FOR CHINA POWER HUB GENERATION COMPANY PRIVATE LIMITED FOR JULY TO SEPTEMBER 2022 QUARTER.

1. 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 and 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, the relevant tariff components in respect of July to September 2022 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. The revised tariff indicated hereunder shall be immediately applicable:

Tariff Components	Reference Tariff	Revised July to September 2022 Quarter
Capacity Charge (Rs./KWh)		
Fixed O&M – Foreign	0.1435	0.3734
Fixed O&M – Local	0.1435	0.1984
Fixed O&M – Jetty	0.0254	0.0396
Cost of Working Capital	0.2276	1.0677
Insurance	0.1021	0.1021
Fixed CTS Component	0.1732	0.4105
Return on Equity	1.1872	2.5187
Debt Repayment	1.2050	2.4861
Interest Charge	0.4641	1.4008
Total	3.6716	8.5973
Energy Purchase Price (Rs./KWh)		
Variable O&M – Foreign	0.0684	0.1780
Variable O&M – Local	0.0456	0.0631
Variable O&M – Jetty	0.0074	0.0124
Ash Disposal	0.2200	0.2200
Limestone	0.0900	0.0900
Total	0.4314	0.5635

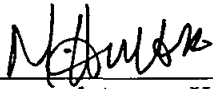


2. The power plant has achieved its COD on August 17, 2019. The decision in the matter of COD tariff true up was issued on June 30, 2022 which was challenged by CPHGCL in the Appellate Tribunal. The Appellate Tribunal vide its decision dated September 7, 2022 suspended the recovery of cost imposed in COD stage tariff and decided that indexation be allowed according to indexation adjustment already allowed by NEPRA on provisional basis, subject to final out-come of this appeal.
3. Accordingly, the Authority has decided to extend the provisional approval of tariff indexation/adjustment of reference tariff dated February 12, 2016 till the final decision of

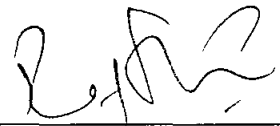
Appellate Tribunal. The said decision is without prejudice to the stance of NEPRA regarding the maintainability and grant of interim relief by Appellate Tribunal and shall be subject to outcome of legal proceedings pending in this regard.

4. 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.
5. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

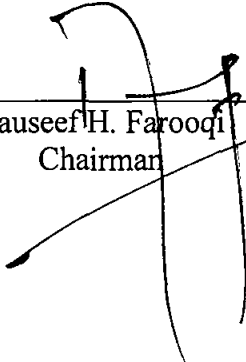
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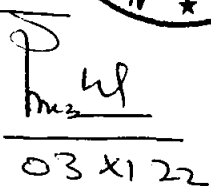
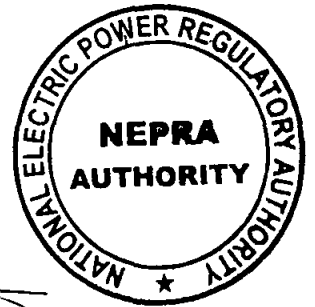
Engr. Maqsood Anwar Khan
Member



Engr. Rafique Ahmed Shaikh
Member



Tauseef H. Farooqi
Chairman



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

Tariff Components	Reference Tariff	Revised Jul to Sep 2022 Quarter
Capacity Charge (Rs./KWh)		
Fixed O&M - Foreign	0.1435	0.3734
Fixed O&M - Local	0.1435	0.1984
Fixed O&M - Jetty	0.0254	0.0396
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Ash Disposal	0.2200	0.2200
Limestone	0.0900	0.0900
Total	0.4314	0.5635
Indexation Values		
Exchange Rate (Rs./USD)	97.10	206.000
US CPI (All Urban Consumers)	238.34	292.296
CPI (General) - Local	194.74	269.270
3 Monthly KIBOR	11.91%	15.16%
3 Monthly LIBOR	0.450%	2.285%
Coal Price (Rs./MT)	12,532	40,324.25
Coal Calorific Value (BTU/Kg)	25,556	21,816.29
Fixed CTS Charges (USD/day)	52,000	58,090
US ECI (Seasonally Adjusted)	133.20	152.700
Principal Outstanding (USD. Million)	-	537.610
Hours in the quarter	-	2,208

* For the purpose of indexation of Local O&M components for July to September 2022 quarter, CPI for May 2022 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. As per relevant provision of the PPA, 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 decision of new reference index value by the Authority.

** The Authority vide its decision dated March 10, 2021 replaced CPI Base Year 2007-08 with N-CPI Base Year 2015-16. The decision shall be implemented upon Notification in the Official Gazette.

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