



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

Registrar

No. NEPRA/R/DG(Trf)/TRF-342/CPHGCL-2015/13466-70

May 29, 2023

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for China Power Hub Generation Company Private Limited for April - June 2023 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 April - June 2023 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

(Engr. Mazhar Iqbal Ranjha)

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

Copy to: (alongwith copy of subject Decision):

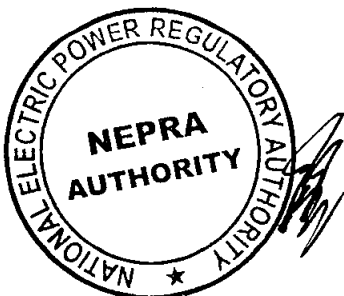
1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of nance, 'Q' Block, Pak Secretariat, Islamabad.
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
4. Chief Executive Officer, 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 APRIL TO JUNE 2023 QUARTER.

- 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 April to June 2023 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 Feb 12, 2016 & July 28, 2017	Revised Apr to Jun 2023 Quarter
Capacity Charge (Rs./KW/h)		
Fixed O&M - Foreign	0.1435	0.5300
Fixed O&M - Local	0.1435	0.1984
Fixed O&M - Jetty	0.0254	0.0499
Cost of Working Capital	0.2276	2.7272
Insurance	0.1021	0.1021
Fixed CTS Component	0.1732	0.5816
Return on Equity	1.1872	3.4736
Debt Repayment	1.2050	3.5970
Interest Charge	0.4641	2.5347
Total	3.6716	13.7945
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.0684	0.2526
Variable O&M - Local	0.0456	0.0631
Variable O&M - Jetty	0.0074	0.0160
Ash Disposal	0.2200	0.2200
Limestone	0.0900	0.0900
Total	0.4314	0.6417

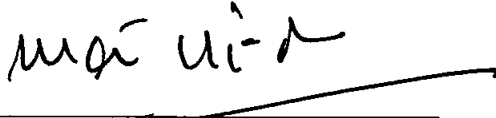
- The power plant has achieved its COD on August 16, 2019. The decision in the matter of COD tariff true up was issued on June 30, 2022 which was challenged by CPHGCL in the Appellate Tribunal. The Appellate Tribunal vide its decision dated September 7, 2022 suspended the recovery of cost imposed in 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.
- 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 the Appellate Tribunal and shall be subject to outcome of legal proceedings pending in this regard.





Handwritten signature

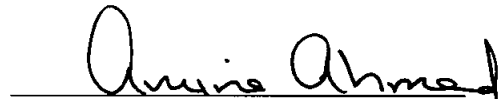
4. The above referred revised tariff components attached as **Annex-I** are to be notified in the official gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.
5. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

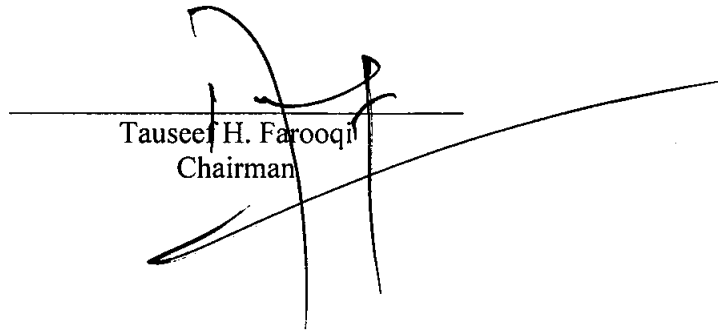
AUTHORITY


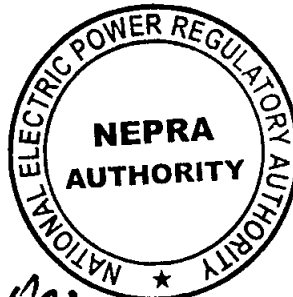

Mathar Niaz Rana (nsc)
Member


Engr. Maqsood Anwar Khan
Member


Engr. Rafique Ahmed Shaikh
Member


Amina Ahmed
Member


Tauseef H. Farooqi
Chairman


29/05/23


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

Tariff Components	Reference Feb 12, 2016 & July 28, 2017	Revised Apr to Jun 2023 Quarter	Indexation
Capacity Charge (Rs./KW/h)			
Fixed O&M - Foreign	0.1435	0.5300	US CPI & Rs./US\$
Fixed O&M - Local	0.1435	0.1984	CPI Local
Fixed O&M - Jetty	0.0254	0.0499	50% of the component is subject to indexation with the Rs./US\$
Cost of Working Capital	0.2276	2.7272	KIBOR & Fuel Price.
Insurance	0.1021	0.1021	-
Fixed CTS Component	0.1732	0.5816	Fixed CTS & Rs./US\$
Return on Equity	1.1872	3.4736	Rs./US\$
Debt Repayment	1.2050	3.5970	Rs./US\$
Interest Charge	0.4641	2.5347	LIBOR & Rs./US\$
Total	3.6716	13.7945	
Energy Purchase Price (Rs./KWh)			
Variable O&M - Foreign	0.0684	0.2526	US CPI & Rs./US\$
Variable O&M - Local	0.0456	0.0631	CPI Local
Variable O&M - Jetty	0.0074	0.0160	60% of the component is subject to indexation with the Rs./US\$
Ash Disposal	0.2200	0.2200	-
Limestone	0.0900	0.0900	-
Total	0.4314	0.6417	
Indexation Values			Source
Exchange Rate (Rs./USD)	97.10	284.100	NBP - Revised rate of Mar 31, 2023
US CPI (All Urban Consumers)	238.34	300.840	U.S. Bureau of Labor Statistics - Revised value of Feb 2023
CPI (General) - Local	194.74	269.270	Pakistan Bureau of Statistics - Revised value of Jun 2020
3 Monthly KIBOR	11.91%	21.98%	SBP - Revised rate of Mar 31, 2023
3 Monthly LIBOR	0.450%	5.193%	www.brecorder.com - Revised rate of Mar 31, 2023
Coal Price (Rs./MT)	12,532	75,394.67	
Coal Calorific Value (BTU/Kg)	25,556	22,413.32	
Fixed CTS Charges (USD/day)	52,000	59,683	80% of charges shall be indexed with US ECI
US ECI (Seasonally Adjusted)	133.20	157.800	U.S. Bureau of Labor Statistics - Revised value of Sep 2022
Principal Outstanding (USD. Million)	-	488.460	
Hours in the quarter	-	2,184	

- For the purpose of indexation of Local O&M components for Apr-Jun 2023 quarter, CPI for Feb 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. 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.

- Based on the data declared by China Power Hub Generation Company (Pvt.) Ltd.



7 Aug 21

3/3