



National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad.
Tel: +92-51-9206500, Fax: +92-51-2600026
Web: www.nepa.org.pk, E-mail: registrar@nepa.org.pk

Registrar

No. NEPRA/R/DG(Trf)/TRF-342/CPHGCL-2015/ 34615-19

October 19, 2023

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Local O&M Components of Tariff for October-December 2020 to April-June 2023 Quarters 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** (total 03 pages) regarding quarterly indexation/adjustment of tariff of China Power Hub Generation Company Private Limited for the quarter **October-December 2020 to April-June 2023** on account of N-CPI 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

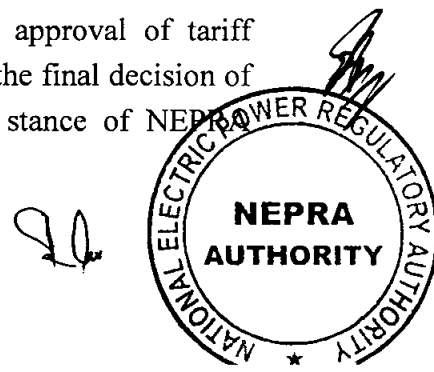


DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ADJUSTMENT OF LOCAL O&M COMPONENTS OF TARIFF FOR OCT-DEC 2020 TO APR-JUN 2023 QUARTERS FOR CHINA POWER HUB GENERATION COMPANY PRIVATE LIMITED.

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 March 10, 2021 notified vide S.R.O. No. 1041(I)/2023 dated August 09, 2023 in the matter of change of base year 2007-2008 to base year 2015-16 for Consumer Price Index (CPI) for indexation of fixed and variable O&M (Local) components, the local fixed & variable O&M components of tariff in respect of Oct-Dec 2020 to Apr-Jun 2023 quarters are required to be adjusted on account of variation in National-CPI (N-CPI).
2. The Authority through its various decisions approved local variable & fixed O&M components of tariff w.e.f. October-December 2020 to April-June 2023 quarters based on last available CPI value i.e. 269.270 of June 2020 (Base Year 2007-08) on provisional basis subject to decision of the Authority for change in CPI index and its notification in the Official Gazette.
3. Subsequent to the notification of the decision regarding change of base year for CPI, CPHGCL requested for revision of local variable & fixed O&M components based on N-CPI values for Oct-Dec 2020 to Apr-Jun 2023 quarters.
4. The Authority in its collective and joint wisdom decided with consensus as under; which shall be hereafter called as decision of the Authority in the matter:-

"Local variable & fixed O&M components of tariff in respect of Oct-Dec 2020 to Apr-Jun 2023 quarters have been revised on account of N-CPI variation in accordance with the requisite indexation mechanism stipulated in the decisions of the Authority. The revised tariff indicated at **Annex-I** shall be immediately applicable."

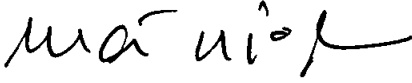
5. The power plant has achieved its COD on August 16, 2019. The decision in the matter of COD tariff true up was issued on June 30, 2022 which was challenged by CPHGCL in the Appellate Tribunal. The Appellate Tribunal vide its decision dated September 7, 2022 suspended the recovery of cost imposed in 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.
6. 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



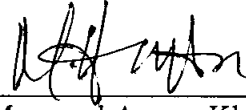
regarding the maintainability and grant of interim relief by the Appellate Tribunal and shall be subject to outcome of legal proceedings pending in this regard.

7. The instant decision shall supersede the relevant decisions of the Authority to the extent of local variable & fixed O&M components dated November 5, 2020, February 3, 2021, April 27, 2021, July 26, 2021, October 20, 2021, January 21, 2022, April 22, 2022, November 3, 2022, November 18, 2022, February 22, 2023 and May 29, 2023.
8. 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.
9. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).


AUTHORITY



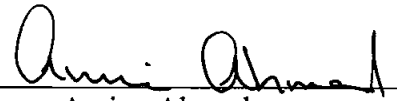
Mathar Niaz Rana (nsc)
Member



Engr. Maqsood Anwar Khan
Member



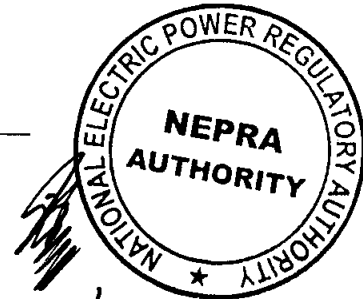
Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Waseem Mukhtar
Chairman



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

Tariff Components	Reference Mar 10, 2021	Revised Oct-Dec 2020	Revised Jan-Mar 2021	Revised Apr-Jun 2021	Revised Jul-Sep 2021	Revised Oct-Dec 2021	Revised Jan-Mar 2022	Revised Apr-Jun 2022	Revised Jul-Sep 2022	Revised Oct-Dec 2022	Revised Jan-Mar 2023	Revised Apr-Jun 2023	Indexation
Capacity Charge (Rs./kW/Hour)													
Fixed O&M - Local	0.1977	0.2056	0.2140	0.2159	0.2192	0.2228	0.2387	0.2424	0.2493	0.2835	0.2956	0.3188	N-CPI Local
Variable O&M (Rs./kWh)													
Variable O&M - Local	0.0628	0.0653	0.0680	0.0686	0.0696	0.0708	0.0758	0.0770	0.0792	0.0900	0.0939	0.1013	N-CPI Local
Indexation Values													
National Consumer Price Index (NCPI)	131.010	136.230	141.830	143.090	145.240	147.610	158.180	160.610	165.230	187.840	195.890	211.280	PBS - Revised value for the relevant quarter

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

- Indexation in Local O&M components of tariff are on provisional basis subject to any inquiry or audit.

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