



Registrar

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

No. NEPRA/R/ADG(Trf)/TRF-342/CPHGCL-2015/5437-41

April 24, 2024

Subject: Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for April-June 2024 Quarter 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 at **Annex-I** (total 03 pages) regarding quarterly indexation/adjustment of tariff of China Power Hub Generation Company Private Limited for the quarter **April-June 2024** on account of US CPI, US ECI, N-CPI, 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:

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 Limited, 10th Floor, Ocean Tower, Block 9, Main Clifton Road, Karachi.

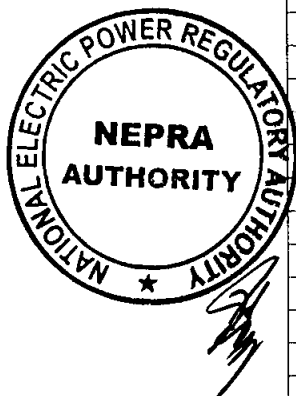


DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ADJUSTMENT OF TARIFF FOR APRIL TO JUNE 2024 QUARTER FOR CHINA POWER HUB GENERATION COMPANY PRIVATE LIMITED.

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, the 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 the decision of the Authority dated March 10, 2021 notified vide S.R.O. No. 1041(I)/2023 on 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 relevant tariff components are required to be adjusted on account of US CPI, US ECI, N-CPI, KIBOR, LIBOR, Exchange Rate, Coal Price(s) and Coal Calorific Value(s) variation.
2. 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.
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 the Appellate Tribunal and shall be subject to outcome of legal proceedings pending in this regard.
4. During the approval of Indexation/Adjustment for July to September 2023 quarter, the Authority disallowed Ash Disposal and Limestone components on the basis that these are required to be adjusted as per actual. CPGCL challenged the above decision vide C.M. No. 06/NT/2023 in the Appellate Tribunal (NEPRA) and Appellate Tribunal (NEPRA) vide its Order dated October 4, 2023 directed NEPRA to ensure the implementation of the earlier orders of the Tribunal. The indexation of Ash Disposal and Limestone components shall be decided separately.
5. The Authority in its collective and joint wisdom considering all aspects decided with consensus as under; which will be hereafter called as decision of Authority in the matter:-

"Indexation/adjustment for April to June 2024 quarter has been made in the tariff components in accordance with the requisite indexation/adjustment mechanism stipulated in the decision(s) of the Authority. The revised components are indicated hereunder shall be immediately applicable."

Tariff Components	Reference Feb 12, 2016, July 28, 2017 & Mar 10, 2021	Revised Apr to Jun 2024 Quarter
Capacity Charge (Rs./KW/h)		
Fixed O&M - Foreign	0.1435	0.5359
Fixed O&M - Local	0.1977	0.3924
Cost of Working Capital	0.2276	1.4742
Insurance	0.1021	0.1021
Fixed CTS Component	0.1732	0.5913
Return on Equity	1.1872	3.4559
Debt Repayment	1.2658	3.7046
Interest Charge	0.4034	2.2189
Total	3.7005	12.4753
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.0684	0.2554
Variable O&M - Local	0.0628	0.1246
Total	0.1312	0.3800



6. CPHGCL has consumed mixed coal i.e. imported & local during the quarter. Accordingly, ROE and cost of working capital components have been adjusted in accordance with the Para 3(II)(xii) and Para 3(II)(xvii) of the decision dated February 12, 2016.

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7. The approval of the Jetty O&M contract for four years is under consideration of the Authority. The indexation/adjustment of the Jetty O&M components shall be made after decision of the Authority in the matter.
8. The above decision of the Authority along with 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

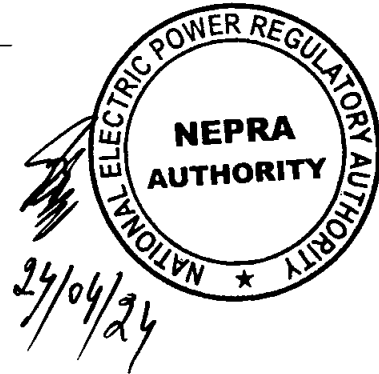
Mathar Niaz Rana (nsc)
Member

Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh
Member

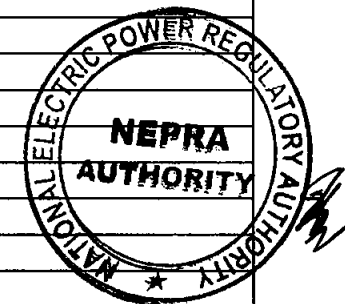
Amina Ahmed
Member

Waseem Mukhtar
Chairman



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

Tariff Components	Reference Feb 12, 2016, July 28, 2017 & Mar 10, 2021	Revised Apr to Jun 2024 Quarter	Indexation
Capacity Charge (Rs./KW/h)			
Fixed O&M - Foreign	0.1435	0.5359	US CPI & Rs./US\$
Fixed O&M - Local	0.1977	0.3924	N-CPI Local
Cost of Working Capital	0.2276	1.4742	KIBOR & Fuel Price.
Insurance	0.1021	0.1021	-
Fixed CTS Component	0.1732	0.5913	Fixed CTS & Rs./US\$
Return on Equity	1.1872	3.4559	Rs./US\$
Debt Repayment	1.2658	3.7046	Rs./US\$
Interest Charge	0.4034	2.2189	LIBOR & Rs./US\$
Total	3.7005	12.4753	
Energy Purchase Price (Rs./KWh)			
Variable O&M - Foreign	0.0684	0.2554	US CPI & Rs./US\$
Variable O&M - Local	0.0628	0.1246	N-CPI Local
Total	0.1312	0.3800	
Indexation Values			Source
Exchange Rate (Rs./USD)	97.10	278.500	NBP - Revised rate of Mar 29, 2024
US CPI (All Urban Consumers)	238.34	310.326	U.S. Bureau of Labor Statistics - Revised value of Feb 2024
N-CPI (Local)	131.01	260.010	Pakistan Bureau of Statistics - Revised value of Feb 2024
3 Monthly KIBOR	11.91%	21.99%	SBP - Revised rate of Mar 29, 2024
3 Monthly LIBOR	0.450%	5.560%	Global-rates.com - Revised rate of Mar 28, 2024
Imported Coal Price (Rs./Ton)	12,532	46,930.48	Weighted Average Price of Coal Consumed during Oct-Dec 2023
Imported Coal Calorific Value (BTU/Kg)	25,556	23,144.35	Weighted Average CV of Coal Consumed during Oct-Dec 2023
Local Coal Price (Rs./Ton)	-	36,279.43	Weighted Average Price of Coal Consumed during Oct-Dec 2023
Local Coal Calorific Value (BTU/Kg)	-	22,094.01	Weighted Average CV of Coal Consumed during Oct-Dec 2023
Imported Coal Quantity (M. Ton)	-	28,320.00	81.68% of Total Coal Consumed during Oct-Dec 2023
Local Coal Quantity (M. Ton)	-	6,350.00	18.32% of Total Coal Consumed during Oct-Dec 2023
Fixed CTS Charges (USD/day)	52,000	61,900	80% of charges shall be indexed with US ECI
US ECI (Seasonally Adjusted)	133.20	164.900	U.S. Bureau of Labor Statistics - Revised value of Sep 2023
Principal Outstanding (USD. Million)	-	420.030	
Hours in the quarter	-	2,184	



- The cost of working capital is calculated on the basis of 30 days receivable for imported and local coal, 90 days inventory for imported coal whereas 30 days inventory for local coal, actual consumption %age for respective coal and actual CV for respective coal.

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