



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-301/EPTPL-2015/40458-40460

November 3, 2021

Subject: Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for Engro Powergen Thar (Pvt.) Ltd. [Case # NEPRA/TRF-301/EPTPL-2015]

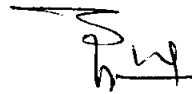
Dear Sir,

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 Engro Powergen Thar (Pvt.) Ltd. for the quarter October-December 2021 on account of US CPI, CPI Local, KIBOR/LIBOR, Government of Sindh Water Price, Exchange Rate and Coal Price(s) variation in Case No. NEPRA/TRF-301/EPTPL-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


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(Syed Safeer Hussain)

Secretary
Ministry of Energy (Power Division)
'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 ENGRO POWERGEN THAR (PRIVATE) LIMITED**

Pursuant to the decision of the Authority dated March 13, 2015 in the matter of application of Engro Powergen Thar (Private) Limited (hereafter "EPTPL") for unconditional acceptance of Upfront Thar Coal tariff for 2x330 MW coal power plant, the relevant tariff components in respect of Oct-Dec 2021 quarter have been revised on account of US CPI, CPI Local, KIBOR/LIBOR, Government of Sindh water price, exchange rate and coal price(s) variation. The revised tariff indicated hereunder shall be immediately applicable on units delivered basis for relevant quarter:

Tariff Components	Reference Tariff Year 3	Revised Oct-Dec 2021 Quarter
Capacity Charge (Rs./KWh)		
Fixed O&M - Foreign	0.1535	0.3102
Fixed O&M - Local	0.1535	0.2122
Cost of Working Capital	0.1094	0.1558
Insurance	0.0944	0.0944
ROE	1.4075	2.4780
Interest Charges	0.5489	0.9092
Debt Repayment	1.2063	2.0935
Total	3.6735	6.2533
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.0684	0.1382
Variable O&M - Local	0.0456	0.0631
Ash Disposal	0.2200	0.2200
Limestone	0.0900	0.0900
Water Charges (Government of Sindh)	0.2897	0.3612
Water Charges (Capital Cost)	0.1574	0.1574
Water Charges (O&M)	0.0600	0.0600
Total	0.9311	1.0899

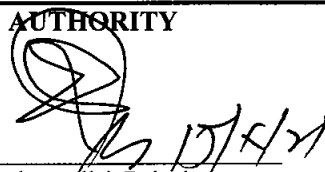
Ash disposal, limestone, water charges (capital cost) and water charges (O&M) components of tariff are subject to adjustment at the time of COD, therefore, there is no change in the components and shall be revised after COD adjustment.

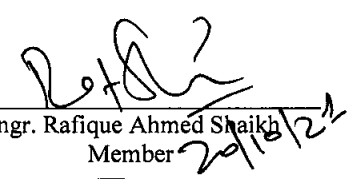
Indexation allowed to EPTPL is purely on provisional basis till finalization of its COD tariff by the Authority and shall be subject to adjustment/refund, if necessary, in the light of final decision of the Authority.

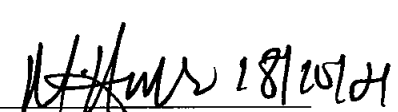
The above referred revised tariff components attached as **Annex-I** are to be notified in the official gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

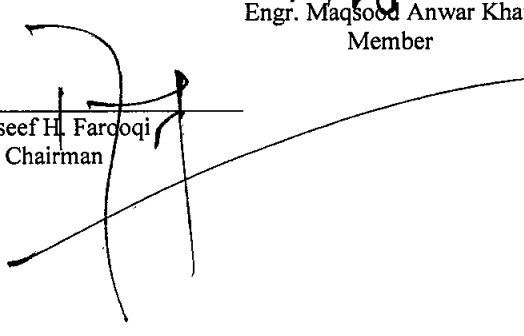
CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

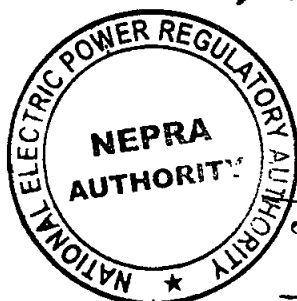
AUTHORITY


Rehmatullah Baloch
Member


Engr. Rafique Ahmed Shaikh
Member


Engr. Maqsood Anwar Khan
Member


Tauseef H. Farooqi
Chairman



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Engro Powergen Thar (Private) Limited
Quarterly Indexation/ Adjustment of Tariff

Tariff Components	Reference Tariff Year 3	Revised Oct-Dec 2021 Quarter
Capacity Charge (Rs./KWh)		
Fixed O&M - Foreign	0.1535	0.3102
Fixed O&M - Local	0.1535	0.2122
Cost of Working Capital	0.1094	0.1558
Insurance	0.0944	0.0944
ROE	1.4075	2.4780
Interest Charges	0.5489	0.9092
Debt Repayment	1.2063	2.0935
Total	3.6735	6.2533
Energy Purchase Price (Rs./KWh)		
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Water Charges (Capital Cost)	0.1574	0.1574
Water Charges (O&M)	0.0600	0.0600
Total	0.9311	1.0899
Indexation Values		
Exchange Rate (Rs./USD)	97.10	170.950
US CPI (All Urban Consumers)	238.34	273.567
CPI (General) - Local	194.74	269.270
3 Monthly KIBOR	11.91%	7.78%
3 Monthly LIBOR	0.45%	0.13013%
Variable Coal Price (Rs./MT)	1,393.44	2,764.39
Fixed Coal Price (Rs./MT)	3,528.12	8,233.76
Coal Calorific Value (BTUs/Kg)	11,005	10,710
Price of Water (GoS) (Rs./1000 Gallons)	320	399
Principal Outstanding (USD. Million)	-	304.54
Hours in the Quarter	-	2,208

*For the purpose of indexation of Local O&M components for Oct-Dec 2021 quarter, CPI for Aug 2021 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.

