



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/DG(Trf)/TRF-301/EPTPL-2015/ 131 24-28

May 25, 2023

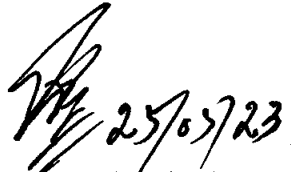
Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for April-June 2023 Quarter for Engro Powergen Thar (Pvt.) Ltd. [Case # NEPRA/TRF-301/EPTPL-2015]**

Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised tariff components (Annex-I) (total 03 pages) regarding quarterly indexation/adjustment of tariff of Engro Powergen Thar (Pvt.) Ltd. for the **April-June 2023** quarter on account of US CPI, CPI Local, KIBOR/LIBOR, Water Charges, Exchange Rate and Coal Price(s) variation in Case No. NEPRA/TRF-301/EPTPL-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

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, Engro Powergen Thar (Pvt.) Ltd., 16th Floor, The Harbor Front Building, HC-3, Marine Drive, Block-4, Clifton, Karachi
[Tele: 021 – 3529 7875 – 84]

DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ ADJUSTMENT OF TARIFF FOR APRIL TO JUNE 2023 QUARTER FOR ENGRO POWERGEN THAR (PRIVATE) LIMITED.

1. 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 April to June 2023 quarter have been revised on account of US CPI, CPI Local, KIBOR/LIBOR, water charges, exchange rate and coal price(s) variation. The revised tariff indicated hereunder shall be immediately applicable on units delivered basis for relevant quarter:

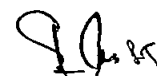
Tariff Components	Reference Tariff March 13, 2015	Revised Apr-Jun 2023 Quarter
Capacity Charge (Rs./KWh)		
Fixed O&M - Foreign	0.1535	0.5669
Fixed O&M - Local	0.1535	0.2122
Cost of Working Capital	0.1094	0.4255
Insurance	0.0944	0.0944
ROE	1.4075	4.1181
Interest Charges	0.4881	2.6705
Debt Repayment	1.2672	3.7859
Total	3.6736	11.8735
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.0684	0.2526
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	0.3594
Water Charges (Capital Cost)	0.1574	0.1574
Water Charges (O&M)	0.0600	0.0600
Total	0.9311	1.2025



2. The power plant has achieved its COD on July 10, 2019. The decision in the matter of COD tariff true-up was issued on June 15, 2022 which was challenged in the Appellate Tribunal. The Petitioner also sought suspension of the operation of the subject decision from the Honorable Sindh High Court, Karachi through its Order dated July 20, 2022. Lately, the Appellate Tribunal on October 6, 2022 passed following Order:

"..... Contention heard. Following principle of parity the interim relief dated 07th September 2022 passed in appeal No. 40/NT/2022 (CPGCL appeal) will also be applicable in this case."

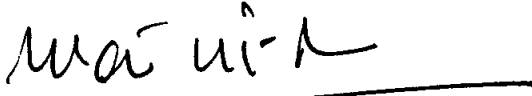
3. Accordingly, the Authority has decided to extend the provisional approval of tariff indexation/adjustment of reference tariff dated March 13, 2015 till the final decision of Sindh High Court and/or Appellate Tribunal. The said decision is without prejudice to the stance of



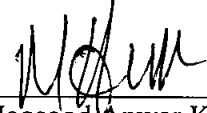
NEPRA regarding the maintainability and grant of interim relief by Appellate Tribunal and shall be subject to outcome of legal proceedings pending in this regards.

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).

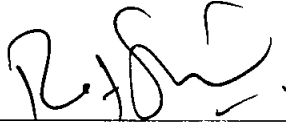
AUTHORITY



Mathar Niaz Rana (nsc)
Member



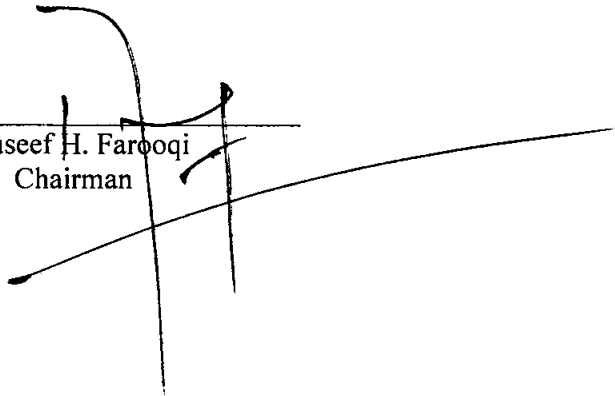
Engr. Maqsood Anwar Khan
Member



Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Tauseef H. Farooqi
Chairman



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

Tariff Components	Reference Tariff March 13, 2015	Revised Apr-Jun 2023 Quarter	Indexation
Capacity Charge (Rs./KWh)			
Fixed O&M - Foreign	0.1535	0.5669	US CPI & Rs./US\$
Fixed O&M - Local	0.1535	0.2122	CPI Local
Cost of Working Capital	0.1094	0.4255	KIBOR & Fuel Cost as per respective consumption of Local Coal
Insurance	0.0944	0.0944	-
ROE	1.4075	4.1181	Rs./US\$
Interest Charges	0.4881	2.6705	LIBOR & Rs./US\$
Debt Repayment	1.2672	3.7859	Rs./US\$
Total	3.6736	11.8735	
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
Ash Disposal	0.2200	0.2200	-
Limestone	0.0900	0.0900	-
Water Charges (Government of Sindh)	0.2897	0.3594	Water Charges of Irrigation Department of Government of Sindh
Water Charges (Capital Cost)	0.1574	0.1574	-
Water Charges (O&M)	0.0600	0.0600	-
Total	0.9311	1.2025	
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	0.45%	5.193%	global-rates.com - Revised rate of Mar 31, 2023
Variable Coal Price (Rs./MT)	1,393.44	4,046.17	Weighted Average Variable Price of Coal Consumed during Jan-Mar 2023
Coal Calorific Value (BTUs/Kg)	11,005	10,710	Weighted Average CV of Coal Consumed during Jan-Mar 2023
Price of Water (GoS) (Rs./1000 Gallons)	320	397.00	Water Charges of Irrigation Department of Government of Sindh
Principal Outstanding (USD. Million)	-	254.29	
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 Engro Powergen Thar (Private) Limited.

