



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/ADG(Trf)/TRF-301/EPTPL-2015/ 35716-20

October 30, 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 July-September 2023 Quarters 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 at **Annex-I** (total 03 pages) regarding quarterly indexation/adjustment of tariff of Engro Powergen Thar (Pvt.) Ltd. for **October-December 2020 to July-September 2023** quarters on account of N-CPI 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
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DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ ADJUSTMENT OF LOCAL O&M COMPONENTS OF TARIFF FOR OCT-DEC 2020 TO JUL-SEP 2023 QUARTERS FOR ENGRO POWERGEN THAR (PRIVATE) LIMITED.

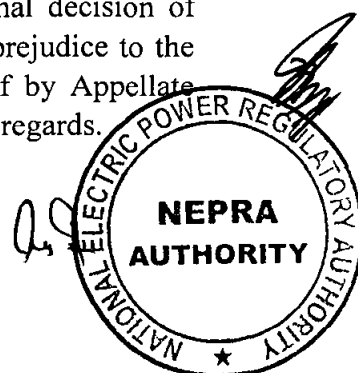
1. Pursuant to the decision of the Authority dated March 13, 2015 in the matter of application of Engro Powergen Thar (Private) Limited (hereafter "EPTPL") for unconditional acceptance of Upfront Thar Coal tariff for 2x330 MW coal power plant and the decision of the Authority dated March 10, 2021 notified 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 local O&M components, the local fixed & variable O&M components of tariff in respect of October-December 2020 to July-September 2023 quarters are required to be indexed on account of N-CPI variation.
2. The Authority through its various decisions approved local variable & fixed O&M components of tariff w.e.f. October-December 2020 to July-September 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, EPTPL requested for revision of local variable & fixed O&M components based on N-CPI values for Oct-Dec 2020 to Jul-Sep 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 Jul-Sep 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 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."

6. 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.

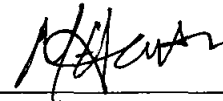


7. The instant decision shall supersede the relevant decisions of the Authority to the extent of local fixed & variable O&M components dated November 2, 2020, January 25, 2021, April 27, 2021, August 2, 2021, November 3, 2021, January 21, 2022, April 26, 2022, November 3, 2022, November 18, 2022, February 1, 2023, May 25, 2023 and August 17, 2023.
8. This decision along with **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



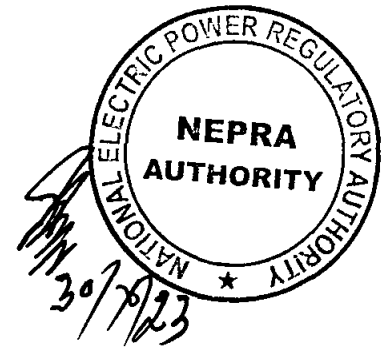
Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Waseem Mukhtar
Chairman



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

Tariff Components	Reference	Revised	Revised	Revised	Revised	Revised	Revised	Revised	Revised	Revised	Revised	Revised	Revised	Indexation
	Mar 10, 2021	Oct-Dec 2020	Jan-Mar 2021	Apr-Jun 2021	Jul-Sep 2021	Oct-Dec 2021	Jan-Mar 2022	Apr-Jun 2022	Jul-Sep 2022	Oct-Dec 2022	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	
Capacity Charge (Rs./kWh)														
Fixed O&M - Local	0.2114	0.2198	0.2289	0.2309	0.2344	0.2382	0.2552	0.2592	0.2666	0.3031	0.3161	0.3409	0.3678	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	0.1093	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	227.960	PBS - Revised value for the relevant quarter

- Based on the data declared by Engro Powergen Thar (Private) Limited.

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