



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/ADG(Trf)/TRF-301/EPTPL-2015/ *5224-28*

April 18, 2024

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for April-June 2024 Quarter for Engro Powergen Thar (Private) Limited [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 (Private) Limited for **April-June 2024** quarters on account of US CPI, N-CPI, 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.

**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/
ADJUSTMENT OF TARIFF FOR APRIL TO JUNE 2024 QUARTER FOR ENGRO POWERGEN
THAR (PRIVATE) LIMITED.**

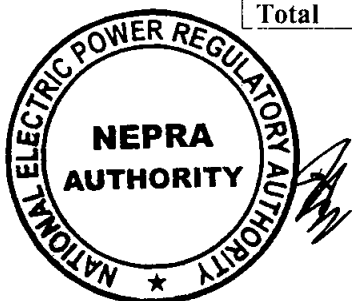
1. Pursuant to the decision of the Authority dated March 13, 2015 in the matter of application of Engro Powergen Thar (Private) Limited (hereafter "EPTPL") for unconditional acceptance of Upfront Thar Coal tariff for 2x330 MW coal power plant and the decision of the Authority dated March 10, 2021 notified 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, N-CPI, KIBOR/LIBOR, Water Charges, Exchange Rate and Coal Price(s) variation.
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. During the approval of Indexation/Adjustment for July to September 2023 quarter, the Authority disallowed Ash Disposal, Limestone, Water Charges (Capital Cost) and Water Charges (O&M) components on the basis that these are required to be adjusted as per actual. EPTL challenged the above decision vide C.M. No. 03/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, Limestone, Water Charges (Capital Cost) and Water Charges (O&M) 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 Mar 13, 2015 & Mar 10, 2021	Revised Apr-Jun 2024 Quarter
Capacity Charge (Rs./KWh)		
Fixed O&M - Foreign	0.1535	0.5732
Fixed O&M - Local	0.2114	0.4196
Cost of Working Capital	0.1094	0.3267
Insurance	0.0944	0.0944
ROE	1.4075	4.0370
Interest Charges	0.4242	2.3370
Debt Repayment	1.3311	3.8982
Total	3.7315	11.6861
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.0684	0.2554
Variable O&M - Local	0.0628	0.1246
Water Charges (Government of Sindh)	0.2897	0.4131
Total	0.4209	0.7931



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6. 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.
7. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

AUTHORITY

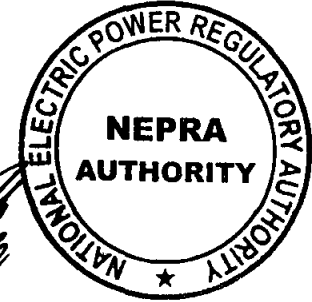
Mathar Niaz Rana (nsc)
Member

Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh
Member

Amina Ahmed
Member

Waseem Mukhtar
Chairman



18/04/24

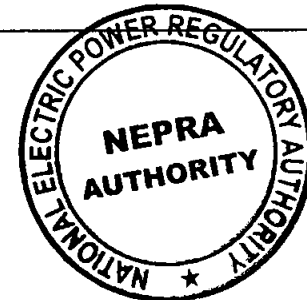
Engro Powergen Thar (Private) Limited
Quarterly Indexation/ Adjustment of Tariff

Tariff Components	Reference Mar 13, 2015 & Mar 10, 2021	Revised Apr-Jun 2024 Quarter	Indexation
Capacity Charge (Rs./KWh)			
Fixed O&M - Foreign	0.1535	0.5732	US CPI & Rs./US\$
Fixed O&M - Local	0.2114	0.4196	N-CPI Local
Cost of Working Capital	0.1094	0.3267	KIBOR & Fuel Cost as per respective consumption of Local Coal
Insurance	0.0944	0.0944	-
ROE	1.4075	4.0370	Rs./US\$
Interest Charges	0.4242	2.3370	LIBOR & Rs./US\$
Debt Repayment	1.3311	3.8982	Rs./US\$
Total	3.7315	11.6861	
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
Water Charges (Government of Sindh)	0.2897	0.4131	Water Charges of Irrigation Department of Government of Sindh
Total	0.4209	0.7931	
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	0.45%	5.560%	Global-rates.com - Revised rate of Mar 28, 2024
Variable Coal Price (Rs./MT)	1,393.44	4,615	Weighted Average Variable Price of Coal Consumed during Jan-Mar 2024
Coal Calorific Value (BTUs/Kg)	11,005	10,710	Weighted Average CV of Coal Consumed during Jan-Mar 2024
Price of Water (GoS) (Rs./1000 Gallons)	320	456.30	Water Charges of Irrigation Department of Government of Sindh
Principal Outstanding (USD. Million)	-	218.67	
Hours in the Quarter	-	2,184	

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

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Signature