



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/ADG(Trf)/TRF-301/EPTPL-2015/ 2349-53

February 15, 2024

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for January-March 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 **January-March 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 JANUARY TO MARCH 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:

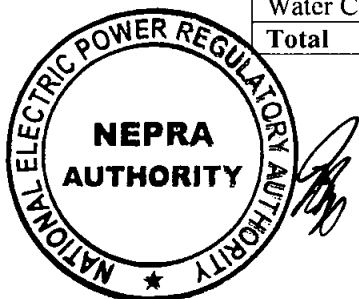
"..... Contention heard. Following principle of parity the interim relief dated 07th September 2022 passed in appeal No. 40/NT/2022 (CPGCL appeal) will also be applicable in this case."

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 January to March 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."

6. The revised components are indicated hereunder shall be immediately applicable.

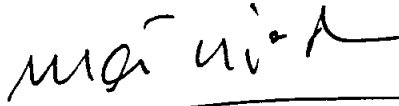
Tariff Components	Reference Mar 13, 2015 & Mar 10, 2021	Revised Jan-Mar 2024 Quarter
Capacity Charge (Rs./KWh)		
Fixed O&M - Foreign	0.1535	0.5751
Fixed O&M - Local	0.2114	0.4085
Cost of Working Capital	0.1094	0.3232
Insurance	0.0944	0.0944
ROE	1.4075	4.0935
Interest Charges	0.4242	2.4751
Debt Repayment	1.3311	3.9054
Total	3.7315	11.8752
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.0684	0.2563
Variable O&M - Local	0.0628	0.1213
Water Charges (Government of Sindh)	0.2897	0.4131
Total	0.4209	0.7907



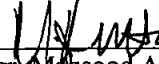
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7. The above decision of the Authority along with revised tariff components attached as **Annex-I** are to be notified in the Official Gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.
8. 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

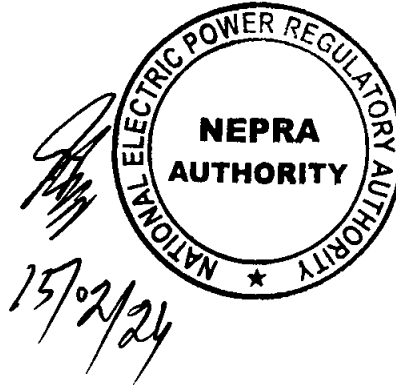


Engr. Rafique Ahmed Shaikh
Member

Amina Ahmed
Member



Waseem Mukhtar
Chairman



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

Tariff Components	Reference Mar 13, 2015 & Mar 10, 2021	Revised Jan-Mar 2024 Quarter	Indexation
Capacity Charge (Rs./KWh)			
Fixed O&M - Foreign	0.1535	0.5751	US CPI & Rs./US\$
Fixed O&M - Local	0.2114	0.4085	N-CPI Local
Cost of Working Capital	0.1094	0.3232	KIBOR & Fuel Cost as per respective consumption of Local Coal
Insurance	0.0944	0.0944	-
ROE	1.4075	4.0935	Rs./US\$
Interest Charges	0.4242	2.4751	LIBOR & Rs./US\$
Debt Repayment	1.3311	3.9054	Rs./US\$
Total	3.7315	11.8752	
Energy Purchase Price (Rs./KWh)			
Variable O&M - Foreign	0.0684	0.2563	US CPI & Rs./US\$
Variable O&M - Local	0.0628	0.1213	N-CPI Local
Water Charges (Government of Sindh)	0.2897	0.4131	Water Charges of Irrigation Department of Government of Sindh
Total	0.4209	0.7907	
Indexation Values			Source
Exchange Rate (Rs./USD)	97.10	282.400	NBP - Revised rate of Dec 29, 2023
US CPI (All Urban Consumers)	238.34	307.051	U.S. Bureau of Labor Statistics - Revised value of Nov 2023
N-CPI (Local)	131.01	253.150	Pakistan Bureau of Statistics - Revised value of Nov 2023
3 Monthly KIBOR	11.91%	21.46%	SBP - Revised rate of Dec 29, 2023
3 Monthly LIBOR	0.45%	5.593%	global-rates.com - Revised rate of Dec 29, 2023
Variable Coal Price (Rs./MT)	1,393.44	4,677.35	Weighted Average Variable Price of Coal Consumed during Oct & Nov 2023
Coal Calorific Value (BTUs/Kg)	11,005	10,710	Weighted Average CV of Coal Consumed during Oct & Nov 2023
Price of Water (GoS) (Rs./1000 Gallons)	320	456.30	Water Charges of Irrigation Department of Government of Sindh
Principal Outstanding (USD. Million)	-	227.74	
Hours in the Quarter	-	2,184	

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

