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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-301/EPTPL-2015/ 16279-83

October 28, 2024

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for October-December 2024 Quarter for Engro Powergen Thar (Private) Limited**

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 **October-December 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 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**


(Wasim Anwar Bhinder)

Secretary,
Ministry of Energy (Power Division),
'A' Block, Pak Secretariat,
Islamabad

Copy to:

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.

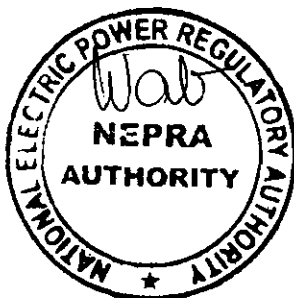


DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ ADJUSTMENT OF TARIFF FOR OCTOBER-DECEMBER 2024 QUARTER FOR ENGRO POWERGEN THAR (PRIVATE) LIMITED.

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. 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 October-December 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 Oct-Dec 2024 Quarter
Capacity Charge (Rs./KWh)		
Fixed O&M - Foreign	0.1535	0.5806
Fixed O&M - Local	0.2114	0.4233
Cost of Working Capital	0.1094	0.2992
Insurance	0.0944	0.0944
ROE	1.4075	4.0304
Interest Charges	0.3571	1.9642
Debt Repayment	1.3982	3.9460
Total	3.7315	11.3381
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.0684	0.2587
Variable O&M - Local	0.0628	0.1257
Ash Disposal	0.2200	0.2200
Limestone	0.0900	0.0900
Water Charges (Government of Sindh)	0.2897	0.4131
Water Charges (Capital Cost)	0.1574	0.1574
Water Charges (O&M)	0.0600	0.0600
Total	0.9483	1.3249



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5. 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.
6. 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



Waseem Mukhtar
Chairman

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

Tariff Components	Reference Mar 13, 2015 & Mar 10, 2021	Revised Oct-Dec 2024 Quarter	Indexation
Capacity Charge (Rs./KWh)			
Fixed O&M - Foreign	0.1535	0.5806	US CPI & Rs./US\$
Fixed O&M - Local	0.2114	0.4233	N-CPI Local
Cost of Working Capital	0.1094	0.2992	KIBOR & Fuel Cost as per respective consumption of Local Coal
Insurance	0.0944	0.0944	-
ROE	1.4075	4.0304	Rs./US\$
Interest Charges	0.3571	1.9642	LIBOR & Rs./US\$
Debt Repayment	1.3982	3.9460	Rs./US\$
Total	3.7315	11.3381	
Energy Purchase Price (Rs./KWh)			
Variable O&M - Foreign	0.0684	0.2587	US CPI & Rs./US\$
Variable O&M - Local	0.0628	0.1257	N-CPI Local
Ash Disposal	0.2200	0.2200	-
Limestone	0.0900	0.0900	-
Water Charges (Government of Sindh)	0.2897	0.4131	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	0.9483	1.3249	
Indexation Values			Source
Exchange Rate (Rs./USD)	97.10	278.050	NBP - Revised rate of Sep 30, 2024
US CPI (All Urban Consumers)	238.34	314.796	U.S. Bureau of Labor Statistics - Revised value of Aug 2024
N-CPI (Local)	131.01	262.320	Pakistan Bureau of Statistics - Revised value of Aug 2024
3 Monthly KIBOR	11.91%	16.13%	SBP - Revised rate of Sep 30, 2024
3 Monthly LIBOR	0.45%	4.854%	Global-rates.com - Revised rate of Sep 30, 2024
Variable Coal Price (Rs./MT)	1,393	4,567	Weighted Average Variable Price of Coal Consumed during Apr-May 2024
Coal Calorific Value (BTUs/Kg)	11,005	10,710	Weighted Average CV of Coal Consumed during Apr-May 2024
Price of Water (GoS) (Rs./1000 Gallons)	320	456.30	Water Charges of Irrigation Department of Government of Sindh
Principal Outstanding (USD. Million)	-	200.19	
Hours in the Quarter	-	2,208	

* Debt servicing component shall be subject to final decision of the Authority of Suo Moto proceedings relating to transition from LIBOR to SOFR.

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

