



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-369/LEPCL-2015/ 20853-57

October 28, 2022


Subject: Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for Lucky Electric Power Company Limited (LEPCL) for October-December 2022 Quarter (Case No. NEPRA/TRF-369/LEPCL-2015)

Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised tariff components (Annex-I) (02 pages) regarding quarterly indexation/adjustment of tariff for Lucky Electric Power Company Limited for the quarter October-December 2022 on account of US CPI, CPI Local, KIBOR, Exchange Rate Coal Price(s) and Coal Calorific Value(s) variation in Case No. NEPRA/TRF-369/LEPCL-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


28 x 22
(Syed Safeer Hussain)

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, Lucky Electric Power Company, 11th Floor, Al-Tijarah Center, 32-1-A, PECHS, Shakra-e-Faisal, Karachi Tele: 021 – 3416 8806-09



DECISION OF THE AUTHORITY IN THE MATTER OF QUARTELY INDEXATION/ADJUSTMENT FOR OCTOBER TO DECEMBER 2022 QUARTER OF TARIFF FOR LUCKY ELECTRIC POWER COMPANY LIMITED (LEPCL).

Pursuant to the decision of the Authority dated 20th October 2016, notified vide S.R.O No. 946(I)/2017 dated 15th September 2017, in the matter of approval of upfront local coal tariff for 660 MW coal power plant of Lucky Electric Power Company Limited (hereinafter "LEPCL"), the relevant tariff components of LEPCL in respect of October to December 2022 quarter have been revised on account of US CPI, CPI Local, KIBOR, Exchange Rate, Coal Price(s) and Coal Calorific value(s) variation in accordance with the requisite indexation/adjustment mechanism stipulated in the decision of the Authority. The revised tariff components are indicated hereunder and shall be immediately applicable:

| Tariff Components | Reference Tariff | Revised Oct to Dec 2022 Quarter |
|--|------------------|---------------------------------|
| Capacity Charge (Rs./KWh) | | |
| Fixed O&M - Foreign | 0.1435 | 0.4223 |
| Fixed O&M - Local | 0.1435 | 0.1984 |
| Cost of Working Capital | 0.1055 | 0.9348 |
| Insurance | 0.1021 | 0.1021 |
| Return on Equity (ROE) | 1.4575 | 3.1825 |
| Debt Repayment | 0.6839 | 0.6839 |
| Interest Charges | 2.2445 | 2.7924 |
| Total | 4.8805 | 8.3164 |
| Energy Purchase Price (Rs./KWh) | | |
| Variable O&M - Foreign | 0.0684 | 0.2013 |
| Variable O&M - Local | 0.0456 | 0.0631 |
| Total | 0.1140 | 0.2644 |

LEPCL has used 100% imported coal during the last quarter. Accordingly, ROE has been adjusted in accordance with Para II (xii) of the decision dated 20th October 2016.

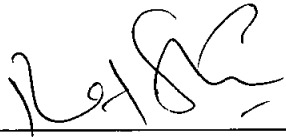
Indexation allowed to LEPCL is purely on provisional basis till finalization of its COD tariff by the Authority and shall be subject to adjustment/refund, if necessary, in the light of final decision of the Authority.

The revised tariff components of LEPCL attached as **Annex-I** are to be notified in the official gazette, in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.


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


AUTHORITY


Engr. Maqsood Anwar Khan
Member


Engr. Rafique Ahmed Shaikh
Member




28 x 22


Tauseef H. Farooqi
Chairman

Lucky Electric Power Company Limited
Quarterly Indexation/ Adjustment of Tariff

| Tariff Components | Reference Tariff | Revised Oct to Dec 2022 Quarter |
|--|-----------------------------|--|
| Capacity Charge (Rs./KWh) | | |
| Fixed O&M - Foreign | 0.1435 | 0.4223 |
| Fixed O&M - Local | 0.1435 | 0.1984 |
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| Energy Purchase Price (Rs./KWh) | | |
| Variable O&M - Foreign | 0.0684 | 0.2013 |
| Variable O&M - Local | 0.0456 | 0.0631 |
| Total | 0.1140 | 0.2644 |
| Indexation Values | | |
| Exchange Rate (Rs./USD) | 97.100 | 229.950 |
| US CPI (All Urban Consumers) | 238.340 | 296.171 |
| CPI (General) - Local | 194.740 | 269.270 |
| 3 Month KIBOR | 11.91% | 15.77% |
| Coal Price (Rs./MT) | 10,018.195 | 20,012.116 |
| Coal Calorific Value (BTU/kg) | 22,046.000 | 11,373.215 |
| Principal Outstanding (Rs. Million) | - | 76,043.270 |
| Hours in Quarter | - | 2,208 |

* For the purpose of indexation of Local O&M components for Oct-Dec 2022 quarter, CPI for Aug 2022 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.

