



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/DG(Trf)/TRF-369/LEPCL-2015/ *35/36-40*

October 24, 2023

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for Lucky Electric Power Company Limited (LEPCL) for October-December 2023 Quarter (Case No. NEPRA/TRF-369/LEPCL-2015)**

Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised tariff components at Annex-I (total 02 pages) regarding quarterly indexation/adjustment of tariff for Lucky Electric Power Company Limited for the quarter **October-December 2023** on account of US CPI, N-CPI, 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

(Engr. Mazhar Iqbal Ranjha)

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

Copy to: (alongwith copy of subject Decision):

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 INDEXTION/ ADJUSTMNET OF TARIFF FOR LUCKY ELECTRIC POWER COMPANY LIMITED FOR OCTOBER TO DECEMBER 2023 QUARTER.

Pursuant to the decision of the Authority dated October 20, 2016, notified vide S.R.O No. 946(I)/2017 dated September 15, 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") and the decision of the Authority dated March 10, 2021 notified vide S.R.O. No. 1041(I)/2023 on August 9, 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, Exchange Rate, Coal Price(s) and Coal Calorific value(s) variation.

The Authority in its collective and joint wisdom decided with consensus as under; which will be hereafter called as decision of Authority in the matter:-

"Indexation/adjustment for October to December 2023 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 Oct 20, 2016 & Mar 10, 2021	Revised Oct-Dec 2023 Quarter
Capacity Charge (Rs./KWh)		
Fixed O&M - Foreign	0.1435	0.5504
Fixed O&M - Local	0.1977	0.3610
Cost of Working Capital	0.1055	1.3230
Insurance	0.1021	0.1021
Return on Equity (ROE)	1.4575	4.0011
Debt Repayment	0.7955	0.7955
Interest Charges	2.1329	3.5771
Total	4.9347	10.7102
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.0684	0.2623
Variable O&M - Local	0.0628	0.1147
Total	0.1312	0.3770

LEPCL has consumed only imported coal during the quarter. Accordingly, ROE and cost of working capital components have been adjusted in accordance with the Para 5(II)(xii) and Para 5(II)(xvii) of the decision dated October 20, 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.

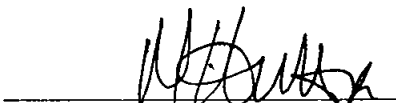
The revised tariff components of LEPCL attached as Annex-I are to be notified in the official gazette, in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

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

AUTHORITY



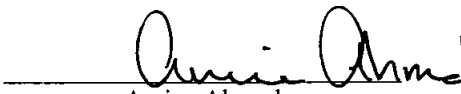
Mathar Niaz Rana (nsc)
Member



Engr. Maqsood Anwar Khan
Member



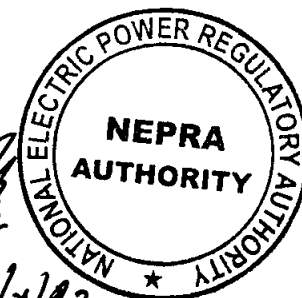
Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Waseem Mukhtar
Chairman



Lucky Electric Power Company Limited
Quarterly Indexation/ Adjustment of Tariff

Tariff Components	Reference Oct 20, 2016 & Mar 10, 2021	Revised Oct-Dec 2023 Quarter	Indexation
Capacity Charge (Rs./KWh)			
Fixed O&M - Foreign	0.1435	0.5504	US CPI & Rs./US\$
Fixed O&M - Local	0.1977	0.3610	N-CPI (Local)
Cost of Working Capital	0.1055	1.3230	KIBOR & Fuel Cost as per respective consumption of Imported Coal
Insurance	0.1021	0.1021	-
Return on Equity (ROE)	1.4575	4.0011	Rs./US\$ & respective consumption of Imported Coal
Debt Repayment	0.7955	0.7955	-
Interest Charges	2.1329	3.5771	KIBOR
Total	4.9347	10.7102	
Energy Purchase Price (Rs./KWh)			
Variable O&M - Foreign	0.0684	0.2623	US CPI & Rs./US\$
Variable O&M - Local	0.0628	0.1147	N-CPI (Local)
Total	0.1312	0.3770	
Indexation Values			Source
Exchange Rate (Rs./USD)	97.100	289.100	NBP - Revised rate of Sep 28, 2023
US CPI (All Urban Consumers)	238.340	307.026	U.S. Bureau of Labor Statistics - Revised value of Aug 2023
N-CPI (Local)	131.010	239.270	Pakistan Bureau of Statistics - Revised value of Aug 2023
3 Month KIBOR	11.91%	22.66%	SBP - Revised rate of Sep 28, 2023
Imported Coal Price (Rs./MT)	-	17,870.38	Weighted Average Price of Coal Consumed during Jul-Sep 2023
Imported Coal Calorific Value (BTU/kg)	-	11,308.38	Weighted Average CV of Coal Consumed during Jul-Sep 2023
Imported Coal Quantity (M.Ton)	-	698,047.44	100% of Total Coal Consumed during Jul-Sep 2023
Principal Outstanding (Rs. Million)	-	71,973.09	
Return on Equity (ROE)-Local	-	29.50%	
Return on Equity (ROE)-Imported	-	27.20%	
Hours in Quarter	-	2,208	

- Based on the data declared by Lucky Electric Power Company Limited.

