



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad  
Ph: +92-51-9206500, Fax: +92-51-2600026  
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

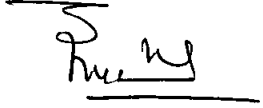
No. NEPRA/R/Director (Trf)/TRF-299/PQEPCL-2015/41190-92  
November 13, 2020

Subject: **DECISION OF THE AUTHORITY IN THE MATTER OF MOTION FOR LEAVE FOR REVIEW FILED BY PORT QASIM ELECTRIC POWER COMPANY (PRIVATE) LIMITED AGAINST THE DECISION OF THE AUTHORITY IN THE MATTER OF ADJUSTMENT OF SINOSURE COMPONENT OF CAPACITY CHARGE PART OF TARIFF DATED 23 JULY 2020 [CASE NO. NEPRA/TRF-299/PQEPCL-2015]**

Dear Sir,

Please find enclosed herewith the Decision of the Authority (02 pages) in the matter of Motion for Leave for Review filed by Port Qasim Electric Power Company (Private) Limited against the Decision of the Authority in the matter of adjustment of Sinosure component of Capacity Charge part of Tariff dated July 23, 2020 for information.

Enclosure: As above

  
13 11 20

( Syed Safer Hussain )

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

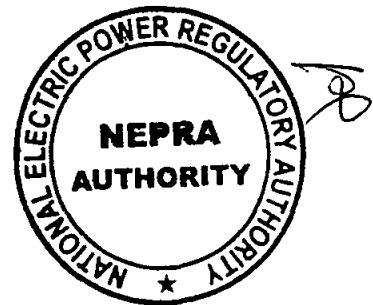
CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.



**DECISION OF THE AUTHORITY IN THE MATTER OF MOTION FOR LEAVE FOR  
REVIEW FILED BY PORT QASIM ELECTRIC POWER COMPANY (PRIVATE)  
LIMITED AGAINST THE DECISION OF THE AUTHORITY IN THE MATTER OF  
ADJUSTMENT OF SINOSURE COMPONENT OF CAPACITY CHARGE PART OF  
TARIFF DATED 23 JULY 2020**

- 1.1. Port Qasim Electric Power Company (Private) Limited (hereinafter PQEPCL) has established a coal fired power plant of 2x660 MW at Port Qasim Karachi. PQEPCL started providing electricity to the grid from November 2017. PQEPCL has achieved Commercial Operation Date on 24th April 2018. The decision in the matter of tariff adjustment at COD was issued on September 27, 2019 which was notified in the official Gazette vide S.R.O. No. 1383(I)/2019 dated November 15, 2019.
- 1.2. In pursuance of the decision dated September 27, 2019, the Authority vide its decision dated 23<sup>rd</sup> July 2020 approved Sinosure fee components of Rs. 0.1156/kW/h and Rs. 0.1249/kW/h for periods 24<sup>th</sup> Nov 2018 to 23<sup>rd</sup> Nov 2019 and 24<sup>th</sup> Nov 2019 to 23<sup>rd</sup> Nov 2020, respectively.
- 1.3. Being aggrieved of the decision of the Authority, PQEPCL filed motion for leave for review against the subject decision of the Authority on 30<sup>th</sup> July 2020 (hereinafter referred to as the Impugned Decision) on following grounds:
  - i. Error in Calculation of Sinosure Component
  - ii. Violation of Upfront Tariff Policy
  - iii. LIBOR
  - iv. Debt Service Schedule
  - v. Comparison with Other Projects
  - vi. Withholding Income Tax on Sinosure Premium
- 1.4. Hearing in the matter was held on 10<sup>th</sup> September 2020 through video link on Zoom which was attended by representatives of PQEPCL only. During the hearing, PQEPCL could not produce any additional evidence in support of its review motion nor could point out any error in the Impugned Decision.
- 1.5. The Authority noted that no calculation error was committed in its decision dated July 23, 2020. The sinosure component for the period November 24, 2019 to November 23, 2020 was calculated on the basis of 366 days because of the leap year which was ignored by PQEPCL.
- 1.6. The Authority vide its decision dated 27th September 2019 in the matter of tariff adjustment at Commercial Operation Date (COD) did not allow withholding tax on sinosure premium, therefore, the same was not considered in calculation of revised sinosure fee component for the 1st and 2nd agreement year. PQEPCL has filed motion for leave for review against decision of the Authority dated 27th September 2019 and has requested to allow withholding tax on sinosure premium. In case the Authority accepts the submission of PQEPCL, the sinosure fee components of 1st and 2nd agreement will be revised on account of withholding tax accordingly.




*[Handwritten mark]*

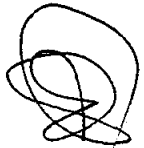


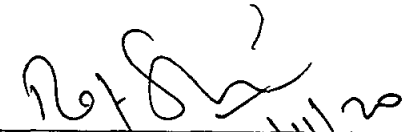
**Decision**


1.7. The Authority is of the view that in terms of Regulation 3(2) of the NEPRA (Review Procedure) Regulations, 2009, a motion seeking review of any order or decision of the Authority is competent only upon discovery of new and important matter of evidence or on account of some mistake or error apparent on the face of record or for any other sufficient reasons. The perusal of the Impugned Decision sought to be reviewed clearly indicated that all material facts and issues were examined in detail and there is no occasion to amend or modify the Impugned Decision. Therefore, the Authority is convinced that the Review Motion shall not result in the withdrawal or modification of the Impugned Decision, hence the Review Motion is hereby dismissed.

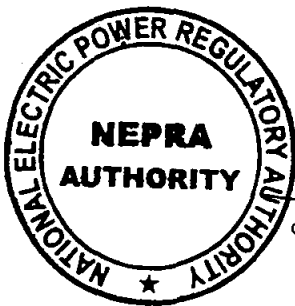
**AUTHORITY**

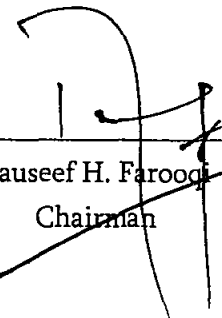
  
Saif Ullah Chattha  
Member  
4.11.2020

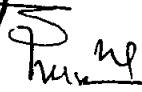
  
2/5/11/2020  
Rehmatullah Baloch  
Member

  
Engr. Rafique Ahmed Shaikh  
Member

  
Engr. Bahadur Shah  
Member



  
Tauseef H. Farooq  
Chairman

  
13 11 20