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No. NEPRA/R/ADG(Trf)/TRF-299/PQEPCPL-2015/13442-46

May 29, 2023

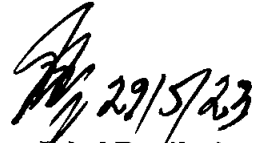
Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for Port Qasim Electric Power Company (Private) Ltd. for April - June 2023 Quarter [CASE NO. NEPRA/TRF-299/PQEPCPL-2015]**

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 of Port Qasim Electric Power Company (Private) Ltd. for **April - June 2023** quarter on account of US CPI, CPI Local, KIBOR, LIBOR, Exchange Rate, Coal price(s) and Coal Calorific value(s) variation in Case No. NEPRA/TRF-299/PQEPCPL-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, Port Qasim Electric Power Company (Pvt.) Limited
Level 6, West Wing, Serena Business Complex, Sector G-5/1, Islamabad
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**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/
ADJUSTMENT OF TARIFF FOR PORT QASIM ELECTRIC POWER COMPANY (PRIVATE)
LIMITED FOR APRIL TO JUNE 2023 QUARTER.**

Pursuant to the Decision of the Authority dated February 13, 2015 in the matter of approval of upfront coal tariff for 2x660 MW coal power plant of Port Qasim Electric Power Company (hereafter "PQEPCL"), decision of the Authority dated February 23, 2018 in the matter of confirmation of the O&M contract for coal unloading jetty of PQEPCL and decision of the Authority dated September 27, 2019 notified vide S.R.O No. 1383(I)/2019 on November 15, 2019 in the matter of tariff adjustment at Commercial Operation Date (COD) of PQEPCL, the relevant tariff components of PQEPCL in respect of April to June 2023 quarter have been revised on account of US CPI, CPI Local, KIBOR, LIBOR, exchange rate, coal price(s) and coal calorific value(s) variation in accordance with the requisite indexation/adjustment mechanism stipulated in above referred decision(s) of the Authority. The revised tariff indicated hereunder shall be immediately applicable:

Tariff Components	Reference	Revised
	Sep 27, 2019	Apr-Jun 2023 Quarter
Capacity Charge (Rs./KW/h)		
Fixed O&M - Foreign	0.1632	0.5298
Fixed O&M - Local	0.1618	0.1984
Fixed O&M - Foreign (Jetty)	0.0250	0.0672
Fixed O&M - Local (Jetty)	0.0230	0.0230
Cost of Working Capital	0.1535	1.5827
Return on Equity	0.8896	2.4032
Debt Repayment	1.5331	4.0355
Interest Charge	0.5101	2.1350
Total	3.4593	10.9748
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.0778	0.2526
Variable O&M - Local	0.0514	0.0630
Variable O&M - Foreign (Jetty)	0.0014	0.0038
Variable O&M - Local (Jetty)	0.0008	0.0008
Total	0.1314	0.3202

PQEPCL has consumed mixed coal i.e. imported & local during the quarter. Accordingly, ROE and cost of working capital components have been adjusted in accordance with the Para 19.1 & 20.2.b(2) of decision dated September 27, 2019.

The 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.

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

AUTHORITY

Mathar Niaz Rana

Mathar Niaz Rana (nsc)
Member

Engr. Maqsood Anwar Khan

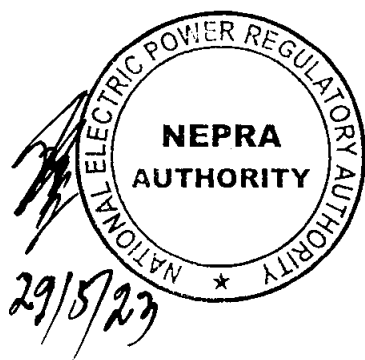
Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh

Engr. Rafique Ahmed Shaikh
Member

Amina Ahmed

Amina Ahmed
Member



Tauseef H. Farooqi
Chairman

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Port Qasim Electric Power Company (Private) Limited
Quarterly Indexation/ Adjustment of Tariff

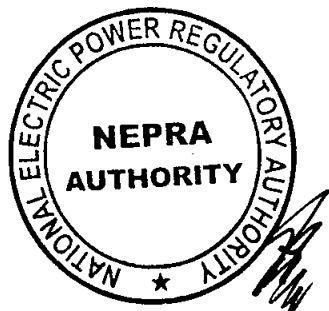
Tariff Components	Reference	Revised	Indexation
	Sep 27, 2019	Apr-Jun 2023 Quarter	
Capacity Charge (Rs./KW/h)			
Fixed O&M - Foreign	0.1632	0.5298	US CPI & Rs./US\$
Fixed O&M - Local	0.1618	0.1984	CPI
Fixed O&M - Foreign (Jetty)	0.0250	0.0672	Rs./US\$
Fixed O&M - Local (Jetty)	0.0230	0.0230	-
Cost of Working Capital	0.1535	1.5827	KIBOR & Fuel Cost as per respective consumption of Local & Imported Coal.
Return on Equity	0.8896	2.4032	Rs./US\$ & respective consumption of Local & Imported Coal.
Debt Repayment	1.5331	4.0355	Rs./US\$
Interest Charge	0.5101	2.1350	LIBOR & Rs./US\$
Total	3.4593	10.9748	
Energy Purchase Price (Rs./KWh)			
Variable O&M - Foreign	0.0778	0.2526	US CPI & Rs./US\$
Variable O&M - Local	0.0514	0.0630	CPI Local
Variable O&M - Foreign (Jetty)	0.0014	0.0038	Rs./US\$
Variable O&M - Local (Jetty)	0.0008	0.0008	-
Total	0.1314	0.3202	
Indexation Values			Source
Exchange Rate (Rs./USD)	105.730	284.100	NBP - Revised rate of Mar 31, 2023
US CPI (All Urban Consumers)	248.991	300.840	U.S. Bureau of Labor Statistics - Revised value of Feb 2023
CPI (General) - Local	219.580	269.270	Pakistan Bureau of Statistics - Revised value of Jun 2020
3 Monthly KIBOR	6.500%	21.980%	SBP - Revised rate of Mar 31, 2023
3 Monthly LIBOR	2.362%	5.193%	Business Recorder - Revised rate of Mar 31, 2023
Imported Coal Price (Rs./Ton)	12,532	34,848.63	Weighted Average Price of Coal Consumed during Jan to Mar 2023.
Imported Coal Calorific Value (BTU/Kg)	25,556	17,135.41	Weighted Average CV of Coal Consumed during Jan to Mar 2023.
Local Coal Price (Rs./Ton)	-	37,218.03	Weighted Average Price of Coal Consumed during Jan to Mar 2023.
Local Coal Calorific Value (BTU/Kg)	-	20,517.98	Weighted Average CV of Coal Consumed during Jan to Mar 2023.
Imported Coal Quantity (M. Ton)	-	297,998.00	94.63% of Total Coal Consumed during Jan to Mar 2023.
Local Coal Quantity (M. Ton)	-	16,916.41	5.37% of Total Coal Consumed during Jan to Mar 2023.
Principal Outstanding (USD. Million)	-	897.31	
Hours in the quarter	-	2,184	

- For the purpose of indexation of Local O&M components for Apr-Jun 2023 quarter, CPI for Feb 2023 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.

- The cost of working capital is calculated on the basis of 30 days receivable for imported and local coal, 90 days inventory for imported coal whereas 30 days inventory for local coal, actual consumption %age for respective coal and actual CV for respective coal.

- Based on the data declared by Port Qasim Electric Power Company (Private) Limited.



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