



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/ADG(Trf)/TRF-299/PQEPCPL-2015/ 35752-56

October 30, 2023

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

Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised tariff components at **Annex-I** (total 04 pages) regarding quarterly indexation/adjustment of tariff of Port Qasim Electric Power Company (Private) Ltd. for **July-September 2023 to October-December 2023** quarters on account of US CPI, N-CPI, 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



DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ADJUSTMENT OF TARIFF FOR PORT QASIM ELECTRIC POWER COMPANY (PRIVATE) LIMITED FOR JULY TO SEPTEMBER 2023 AND OCTOBER TO DECEMBER 2023 QUARTERS.

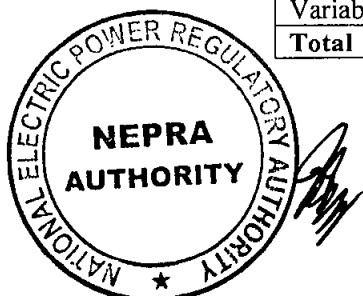
Pursuant to the decision of the Authority dated February 13, 2015 in the matter of approval of upfront coal tariff for 2x660 MW coal power plant of Port Qasim Electric Power Company (hereafter "PQEPCL"), decision of the Authority dated September 27, 2019 notified vide S.R.O No. 1383(I)/2019 on November 15, 2019 in the matter of tariff adjustment at Commercial Operation Date (COD) of PQEPCL, 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 and decision of the Authority dated September 26, 2023 in the matter of request by PQEPCL for extension of the Jetty O&M Contract, the relevant tariff components are required to be adjusted on account of US CPI, N-CPI, KIBOR, LIBOR, 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 July to September 2023 and October to December 2023 quarters 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 Sep 27, 2019 & Sep 26, 2023	Revised Jul-Sep 2023 Quarter
Capacity Charge (Rs./KW/h)		
Fixed O&M - Foreign (Jetty)	0.0250	0.0679
Fixed O&M - Local (Jetty)	0.0230	0.0230
Total	0.0480	0.0909
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign (Jetty)	0.0014	0.0038
Variable O&M - Local (Jetty)	0.0008	0.0008
Total	0.0022	0.0046

Tariff Components	Reference Sep 27, 2019, Mar 10, 2021 & Sep 26, 2023	Revised Oct-Dec 2023 Quarter
Capacity Charge (Rs./KW/h)		
Fixed O&M - Foreign	0.1632	0.5503
Fixed O&M - Local	0.1977	0.3611
Fixed O&M - Foreign (Jetty)	0.0250	0.0684
Fixed O&M - Local (Jetty)	0.0230	0.0230
Cost of Working Capital	0.1535	0.8695
Return on Equity	0.8896	2.6012
Debt Repayment	1.5331	4.1894
Interest Charge	0.5101	2.0627
Total	3.4952	10.7256
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.0778	0.2623
Variable O&M - Local	0.0628	0.1147
Variable O&M - Foreign (Jetty)	0.0014	0.0038
Variable O&M - Local (Jetty)	0.0008	0.0008
Total	0.1428	0.3816



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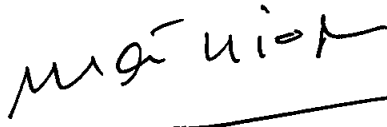
During the approval of indexation/adjustment for July to September 2023 quarter, the Authority did not consider the Jetty O&M Fixed and Variable (Local and Foreign) components on the basis that approval of Jetty O&M contract is under consideration by the Authority. The Authority vide its decision dated September 26, 2023 approved the Jetty O&M contract for further two years. Therefore, Jetty O&M Fixed and Variable (Local and Foreign) components of Jul to September 2023 quarter have been included in the instant quarterly indexation/adjustment.

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.

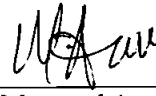
The revised tariff components attached as **Annex-I** and **Annex-II** are to be notified in the official gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

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

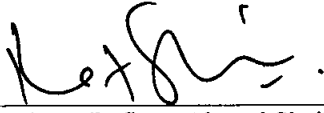
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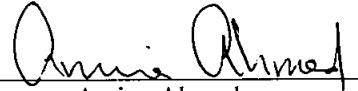
Mathar Niaz Rana (nsc)
Member



Engr. Maqsood Anwar Khan
Member



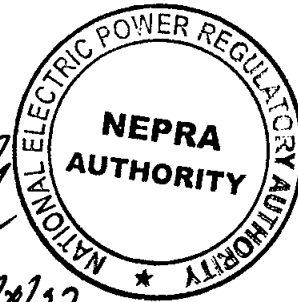
Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Waseem Mukhtar
Chairman



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

Tariff Components	Reference Sep 27, 2019 & Sep 26, 2023	Revised Jul-Sep 2023 Quarter	Indexation
Capacity Charge (Rs./KW/h)			
Fixed O&M - Foreign (Jetty)	0.0250	0.0679	Rs./US\$
Fixed O&M - Local (Jetty)	0.0230	0.0230	-
Total	0.0480	0.0909	
Energy Purchase Price (Rs./KWh)			
Variable O&M - Foreign (Jetty)	0.0014	0.0038	Rs./US\$
Variable O&M - Local (Jetty)	0.0008	0.0008	-
Total	0.0022	0.0046	
Indexation Values			Source
Exchange Rate (Rs./USD)	105.730	287.100	NBP - Revised rate of Jun 27, 2023

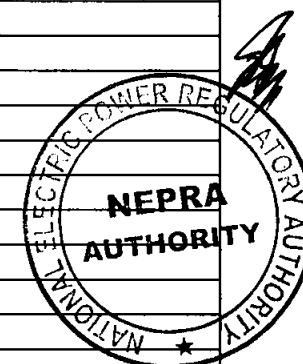
- Based on the data declared by Port Qasim Electric Power Company (Private) Limited.

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

Tariff Components	Reference Sep 27, 2019, Mar 10, 2021 & Sep 26, 2023	Revised Oct-Dec 2023 Quarter	Indexation
Capacity Charge (Rs./KW/h)			
Fixed O&M - Foreign	0.1632	0.5503	US CPI & Rs./US\$
Fixed O&M - Local	0.1977	0.3611	N-CPI Local
Fixed O&M - Foreign (Jetty)	0.0250	0.0684	Rs./US\$
Fixed O&M - Local (Jetty)	0.0230	0.0230	-
Cost of Working Capital	0.1535	0.8695	KIBOR & Fuel Cost as per respective consumption of Local & Imported Coal.
Return on Equity	0.8896	2.6012	Rs./US\$ & respective consumption of Local & Imported Coal.
Debt Repayment	1.5331	4.1894	Rs./US\$
Interest Charge	0.5101	2.0627	LIBOR & Rs./US\$
Total	3.4952	10.7256	
Energy Purchase Price (Rs./KWh)			
Variable O&M - Foreign	0.0778	0.2623	US CPI & Rs./US\$
Variable O&M - Local	0.0628	0.1147	N-CPI Local
Variable O&M - Foreign (Jetty)	0.0014	0.0038	Rs./US\$
Variable O&M - Local (Jetty)	0.0008	0.0008	-
Total	0.1428	0.3816	
Indexation Values			Source
Exchange Rate (Rs./USD)	105.730	289.100	NBP - Revised rate of Sep 28, 2023
US CPI (All Urban Consumers)	248.991	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 Monthly KIBOR	6.500%	22.660%	SBP - Revised rate of Sep 28, 2023
3 Monthly LIBOR	2.362%	5.657%	Business Recorder - Revised rate of Sep 29, 2023
Imported Coal Price (Rs./Ton)	9,672	35,697.07	Weighted Average Price of Coal Consumed during Jul to Sep 2023.
Imported Coal Calorific Value (BTU/Kg)	17,942	18,384.92	Weighted Average CV of Coal Consumed during Jul to Sep 2023.
Local Coal Price (Rs./Ton)	-	32,691.80	Weighted Average Price of Coal Consumed during Jul to Sep 2023.
Local Coal Calorific Value (BTU/Kg)	-	19,290.03	Weighted Average CV of Coal Consumed during Jul to Sep 2023.
Imported Coal Quantity (M. Ton)	-	31,029.21	18.67% of Total Coal Consumed during Jul to Sep 2023.
Local Coal Quantity (M. Ton)	-	135,133.79	81.33% of Total Coal Consumed during Jul to Sep 2023.
Principal Outstanding (USD. Million)	-	819.59	
Hours in the quarter	-	2,208	



- 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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