



# National Electric Power Regulatory Authority

## Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/DG(Trf)/TRF-299/PQEPCPL-2015/21216-20

August 11, 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 to September 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 at Annex-I (total 02 pages) regarding quarterly indexation/adjustment of tariff of Port Qasim Electric Power Company (Private) Ltd. for **July to September 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

**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 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") 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 July to September 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<br>Sep 27, 2019 | Revised<br>Jul-Sep 2023<br>Quarter |
|--|---------------------------|------------------------------------|
| <b>Capacity Charge (Rs./KW/h)</b>      |                           |                                    |
| Fixed O&M – Foreign                    | 0.1632                    | 0.5413                             |
| Fixed O&M – Local                      | 0.1618                    | 0.1984                             |
| Cost of Working Capital                | 0.1535                    | 1.3852                             |
| Return on Equity                       | 0.8896                    | 2.4792                             |
| Debt Repayment                         | 1.5331                    | 4.0966                             |
| Interest Charge                        | 0.5101                    | 2.1209                             |
| <b>Total</b>                           | <b>3.4113</b>             | <b>10.8216</b>                     |
| <b>Energy Purchase Price (Rs./KWh)</b> |                           |                                    |
| Variable O&M – Foreign                 | 0.0778                    | 0.2580                             |
| Variable O&M – Local                   | 0.0514                    | 0.0630                             |
| <b>Total</b>                           | <b>0.1292</b>             | <b>0.3210</b>                      |

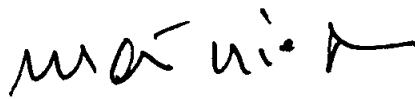
PQEPCL has consumed mixed coal i.e. imported & local during the quarter. Accordingly, ROE and cost of working capital components have been adjusted in accordance with the Para 19.1 & 20.2.b(2) of decision dated September 27, 2019.

The approval of the Jetty O&M contract for further five years is under consideration of the Authority. The indexation/adjustment of the Jetty O&M components shall be made after decision of the Authority in the matter.

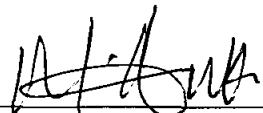
The revised tariff components attached as **Annex-I** are to be notified in the official gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

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

**AUTHORITY**



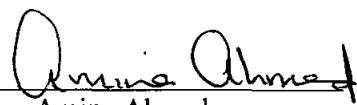
Mathar Niaz Rana (nsc)  
Member



Engr. Maqsood Anwar Khan  
Member



Engr. Rafique Ahmed Shaikh  
Member



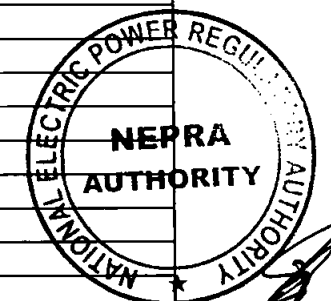
Amina Ahmed  
Member



Tauseef H. Farooqi  
Chairman

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

| Tariff Components                      | Reference<br>Sep 27, 2019 | Revised<br>Jul-Sep 2023<br>Quarter | Indexation  |
|--|---------------------------|------------------------------------|---|
| <b>Capacity Charge (Rs./KW/h)</b>      |                           |                                    |   |
| Fixed O&M - Foreign                    | 0.1632                    | 0.5413                             | US CPI & Rs./US\$   |
| Fixed O&M - Local                      | 0.1618                    | 0.1984                             | CPI   |
| Cost of Working Capital                | 0.1535                    | 1.3852                             | KIBOR & Fuel Cost as per respective consumption of Local & Imported Coal. |
| Return on Equity                       | 0.8896                    | 2.4792                             | Rs./US\$ & respective consumption of Local & Imported Coal.               |
| Debt Repayment                         | 1.5331                    | 4.0966                             | Rs./US\$  |
| Interest Charge                        | 0.5101                    | 2.1209                             | LIBOR & Rs./US\$  |
| <b>Total</b>                           | <b>3.4113</b>             | <b>10.8216</b>                     |   |
| <b>Energy Purchase Price (Rs./KWh)</b> |                           |                                    |   |
| Variable O&M - Foreign                 | 0.0778                    | 0.2580                             | US CPI & Rs./US\$   |
| Variable O&M - Local                   | 0.0514                    | 0.0630                             | CPI Local   |
| <b>Total</b>                           | <b>0.1292</b>             | <b>0.3210</b>                      |   |
| <b>Indexation Values</b>               |                           |                                    | <b>Source</b>   |
| Exchange Rate (Rs./USD)                | 105.730                   | 287.100                            | NBP - Revised rate of June 27, 2023                                       |
| US CPI (All Urban Consumers)           | 248.991                   | 304.127                            | U.S. Bureau of Labor Statistics - Revised value of May 2023               |
| CPI (General) - Local                  | 219.580                   | 269.270                            | Pakistan Bureau of Statistics - Revised value of Jun 2020                 |
| 3 Monthly KIBOR                        | 6.500%                    | 22.910%                            | SBP - Revised rate of June 27, 2023                                       |
| 3 Monthly LIBOR                        | 2.362%                    | 5.545%                             | Business Recorder - Revised rate of June 30, 2023                         |
| Imported Coal Price (Rs./Ton)          | 12,532                    | 33,714.09                          | Weighted Average Price of Coal Consumed during Apr to Jun 2023.           |
| Imported Coal Calorific Value (BTU/Kg) | 25,556                    | 17,009.12                          | Weighted Average CV of Coal Consumed during Apr to Jun 2023.              |
| Local Coal Price (Rs./Ton)             | -                         | 35,655.77                          | Weighted Average Price of Coal Consumed during Apr to Jun 2023.           |
| Local Coal Calorific Value (BTU/Kg)    | -                         | 19,725.09                          | Weighted Average CV of Coal Consumed during Apr to Jun 2023.              |
| Imported Coal Quantity (M. Ton)        | -                         | 250,921.94                         | 71.93% of Total Coal Consumed during Apr to Jun 2023.                     |
| Local Coal Quantity (M. Ton)           | -                         | 97,905.06                          | 28.07% of Total Coal Consumed during Apr to Jun 2023.                     |
| Principal Outstanding (USD. Million)   | -                         | 858.75                             |   |
| Hours in the quarter                   | -                         | 2,208                              |   |



- For the purpose of indexation of Local O&M components for Jul-Sep 2023 quarter, CPI for May 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.