



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/ADG(Trf)/TRF-299/PQEPCPL-2015/1437-43 February 1, 2023

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for Port Qasim Electric Power Company (Private) Ltd. for January-March 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 **January-March 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
[Tele: 051 – 835 7171]

DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ADJUSTMENT OF TARIFF FOR PORT QASIM ELECTRIC POWER COMPANY (PRIVATE) LIMITED FOR JANUARY TO MARCH 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 January to March 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 Sep 27, 2019 | Revised Jan-Mar 2023 Quarter |
|--|---------------------------|------------------------------------|
| Capacity Charge (Rs./KW/h) | | |
| Fixed O&M - Foreign | 0.1632 | 0.4188 |
| Fixed O&M - Local | 0.1618 | 0.1984 |
| Fixed O&M - Foreign (Jetty) | 0.0250 | 0.0537 |
| Fixed O&M - Local (Jetty) | 0.0230 | 0.0230 |
| Cost of Working Capital | 0.1535 | 1.2508 |
| Return on Equity | 0.8896 | 1.9091 |
| Debt Repayment | 1.4408 | 3.2081 |
| Interest Charge | 0.6024 | 1.7126 |
| Total | 3.4593 | 8.7745 |
| Energy Purchase Price (Rs./KWh) | | |
| Variable O&M - Foreign | 0.0778 | 0.1996 |
| Variable O&M - Local | 0.0514 | 0.0630 |
| Variable O&M - Foreign (Jetty) | 0.0014 | 0.0030 |
| Variable O&M - Local (Jetty) | 0.0008 | 0.0008 |
| Total | 0.1314 | 0.2664 |

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

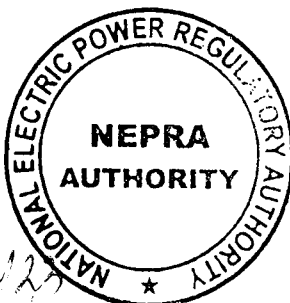
Engr. Maqsood Anwar Khan

Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh

Engr. Rafique Ahmed Shaikh
Member

Tauseef H. Farooqi
Chairman



Annex-I

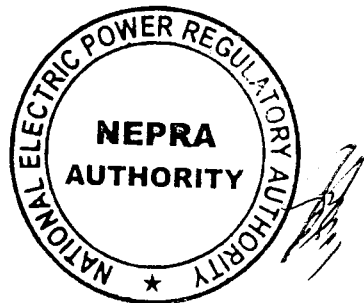
Port Qasim Electric Power Company (Private) Limited
Quarterly Indexation/ Adjustment of Tariff

| Tariff Components | Reference Sep 27, 2019 | Revised Jan-Mar 2023 Quarter |
|--|-----------------------------------|---|
| Capacity Charge (Rs./KW/h) | | |
| Fixed O&M - Foreign | 0.1632 | 0.4188 |
| Fixed O&M - Local | 0.1618 | 0.1984 |
| Fixed O&M - Foreign (Jetty) | 0.0250 | 0.0537 |
| Fixed O&M - Local (Jetty) | 0.0230 | 0.0230 |
| Cost of Working Capital | 0.1535 | 1.2508 |
| Return on Equity | 0.8896 | 1.9091 |
| Debt Repayment | 1.4408 | 3.2081 |
| Interest Charge | 0.6024 | 1.7126 |
| Total | 3.4593 | 8.7745 |
| Energy Purchase Price (Rs./KWh) | | |
| Variable O&M - Foreign | 0.0778 | 0.1996 |
| Variable O&M - Local | 0.0514 | 0.0630 |
| Variable O&M - Foreign (Jetty) | 0.0014 | 0.0030 |
| Variable O&M - Local (Jetty) | 0.0008 | 0.0008 |
| Total | 0.1314 | 0.2664 |
| Indexation Values | | |
| Exchange Rate (Rs./USD) | 105.730 | 226.900 |
| US CPI (All Urban Consumers) | 248.991 | 297.711 |
| CPI (General) - Local | 219.580 | 269.270 |
| 3 Monthly KIBOR | 6.500% | 17.000% |
| 3 Monthly LIBOR | 2.362% | 4.767% |
| Coal Price (Rs./Ton) | 12,532 | 36,449.47 |
| Coal Calorific Value (BTU/Kg) | 25,556 | 18,543.20 |
| Principal Outstanding (USD. Million) | - | 935.27 |
| Hours in the quarter | - | 2,160 |

* For the purpose of indexation of Local O&M components for Jan-Mar 2023 quarter, CPI for Nov 2022 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.

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



[Handwritten signature]