



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-2015/162-61-65

October 28, 2024

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for October-December 2024 Quarter for Port Qasim Electric Power Company (Private) Limited**

Dear Sir,

Please find enclosed herewith the Decision of the Authority along with revised tariff components at **Annex-I** (total 03 pages) regarding quarterly indexation/adjustment of tariff of Port Qasim Electric Power Company (Private) Ltd. for **October-December 2024** quarter 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 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**


(Wasim Anwar Bhinder)

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

Copy to:

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

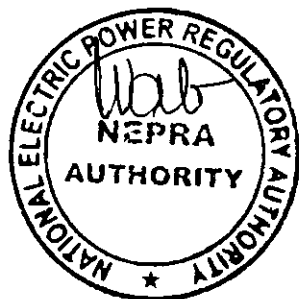
DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ADJUSTMENT OF TARIFF FOR OCTOBER-DECEMBER 2024 QUARTER FOR PORT QASIM ELECTRIC POWER COMPANY (PRIVATE) LIMITED.

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 notified vide S.R.O. No. 1559(I)/2023 on November 08, 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 considering all aspects decided with consensus as under; which will be hereafter called as decision of Authority in the matter:-

"Indexation/adjustment for October-December 2024 quarter 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, Mar 10, 2021 & Sep 26, 2023	Revised Oct-Dec 2024 Quarter
Capacity Charge (Rs./KW/h)		
Fixed O&M - Foreign	0.1632	0.5426
Fixed O&M - Local	0.1977	0.3959
Fixed O&M - Foreign (Jetty)	0.0250	0.0657
Fixed O&M - Local (Jetty)	0.0230	0.0230
Cost of Working Capital	0.1535	1.0192
Return on Equity	0.8896	2.3635
Debt Repayment	1.6314	4.2876
Interest Charge	0.4118	1.4560
Total	3.4952	10.1535
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.0778	0.2587
Variable O&M - Local	0.0628	0.1257
Variable O&M - Foreign (Jetty)	0.0014	0.0037
Variable O&M - Local (Jetty)	0.0008	0.0008
Total	0.1428	0.3889



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The above decision of the Authority along with 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



Waseem Mukhtar
Chairman

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 2024 Quarter	Indexation
Capacity Charge (Rs./KW/h)			
Fixed O&M - Foreign	0.1632	0.5426	US CPI & Rs./US\$
Fixed O&M - Local	0.1977	0.3959	N-CPI Local
Fixed O&M - Foreign (Jetty)	0.0250	0.0657	Rs./US\$
Fixed O&M - Local (Jetty)	0.0230	0.0230	-
Cost of Working Capital	0.1535	1.0192	KIBOR & Fuel Cost as per respective consumption of Local & Imported Coal.
Return on Equity	0.8896	2.3635	Rs./US\$ & respective consumption of Local & Imported Coal.
Debt Repayment	1.6314	4.2876	Rs./US\$
Interest Charge	0.4118	1.4560	LIBOR & Rs./US\$
Total	3.4952	10.1535	
Energy Purchase Price (Rs./KWh)			
Variable O&M - Foreign	0.0778	0.2587	US CPI & Rs./US\$
Variable O&M - Local	0.0628	0.1257	N-CPI Local
Variable O&M - Foreign (Jetty)	0.0014	0.0037	Rs./US\$
Variable O&M - Local (Jetty)	0.0008	0.0008	-
Total	0.1428	0.3889	
Indexation Values			Source
Exchange Rate (Rs./USD)	105.730	278.050	NBP - Revised rate of Sep 30, 2024
US CPI (All Urban Consumers)	248.991	314.796	U.S. Bureau of Labor Statistics - Revised value of Aug 2024
N-CPI (Local)	131.010	262.320	Pakistan Bureau of Statistics - Revised value of Aug 2024
3 Monthly KIBOR	6.500%	16.130%	SBP - Revised rate of Sep 30, 2024
3 Monthly LIBOR	2.362%	4.854%	Global-rates.com - Revised rate of Sep 30, 2024
Imported Coal Price (Rs./Ton)	9,672	38,094.09	Weighted Average Price of Coal Consumed during Jul-Sep 2024.
Imported Coal Calorific Value (BTU/Kg)	17,942	21,523.86	Weighted Average CV of Coal Consumed during Jul-Sep 2024.
Local Coal Price (Rs./Ton)	-	42,494.28	Weighted Average Price of Coal Consumed during Jul-Sep 2024.
Local Coal Calorific Value (BTU/Kg)	-	22,625.08	Weighted Average CV of Coal Consumed during Jul-Sep 2024.
Imported Coal Quantity (M. Ton)	-	417,208.24	88.36% of Total Coal Consumed during Jul-Sep 2024.
Local Coal Quantity (M. Ton)	-	54,964.98	11.64% of Total Coal Consumed during Jul-Sep 2024.
Principal Outstanding (USD. Million)	-	656.73	
Hours in the quarter	-	2,208	

* Debt servicing component shall be subject to final decision of the Authority of Suo Moto proceedings relating to transition from LIBOR to SOFR.

- 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.

