



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/DG(Trf)/TRF-367/TPTPL-2016/21210-141

August 11, 2023

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment for January to March 2023, April to June 2023 and July to September 2023 Quarters of Tariff for ThalNova Power Thar (Pvt.) Ltd. [Case # NEPRA/TRF-367/TPTPL-2016]**

Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised tariff components (Annex-I) (03 pages) regarding quarterly indexation/adjustment of tariff of ThalNova Power Thar (Pvt.) Ltd. for the **January to March 2023, April to June 2023 and July to September 2023** quarter on account of US CPI, CPI Local, KIBOR/LIBOR, Water Charges and Exchange Rate variation in Case No. NEPRA/TRF-367/TPTPL-2016.

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

Copy to: (alongwith copy of subject Decision):

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, Thal Nova Power Thar (Private) Limited, 11th Floor, Ocean Tower Block-9, Main Clifton Road, Karachi, Tele: 0213 – 3587 4677-86, 0213-3583018



DECISION OF THE AUTHORITY IN THE MATTER OF QUARTELY INDEXATION/ ADJUSTMENT FOR JANUARY TO MARCH 2023, APRIL TO JUNE 2023 AND JULY TO SEPTEMBER 2023 QUARTERS OF TARIFF FOR THALNOVA POWER THAR (PVT.) LIMITED (TNL).

1. Pursuant to the decision of the Authority dated October 18, 2016 in the matter of approval of upfront Thar coal tariff for 330 MW coal power plant of ThalNova Power Thar (Pvt.) Limited (hereinafter "TNL"), the relevant tariff components of TNL are required to be indexed/adjusted according to stipulated mechanism.
2. TNL filed request for interim through quarterly indexation/adjustment which was considered by the Authority. Accordingly, the relevant tariff components in respect of April to June 2023 and July to September quarters have been revised on account of US CPI, CPI Local, KIBOR/LIBOR, Water Charges and Exchange Rate variation in accordance with the requisite indexation/adjustment mechanism stipulated in the decision of the Authority. The revised tariff components are indicated hereunder and shall be immediately applicable:

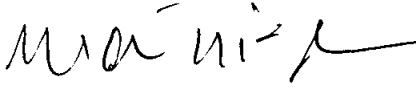
Tariff Components	Reference Oct 18, 2016	Revised Jan to Mar 2023 Quarter	Revised April to June 2023 Quarter	Revised July to Sep 2023 Quarter
Capacity Charge (Rs./KWh)				
Fixed O&M – Foreign	0.1535	0.4480	0.5669	0.5791
Fixed O&M – Local	0.1535	0.2122	0.2122	0.2122
Cost of Working Capital	0.1094	0.1094	0.1094	0.1094
ROE	1.4075	3.2890	4.1181	4.1616
Interest Charges	0.6620	2.9563	3.8378	3.9008
Debt Repayment	1.0933	2.5548	3.1988	3.2258
Total	3.5792	9.5697	12.0432	12.1889
Energy Purchase Price (Rs./KWh)				
Variable O&M - Foreign	0.0684	0.1996	0.2526	0.2581
Variable O&M - Local	0.0456	0.0631	0.0631	0.0631
Water Charges (Govt. of Sindh)	0.2897	0.4131	0.4131	0.4131
Total	0.4037	0.6758	0.7288	0.7343

3. TNL also requested quarterly indexation/adjustment with reference components of ash disposal, limestone, insurance, water charges (capital cost) and water charges (O&M), as these are required to be adjusted as per actual at the time of COD adjustment, therefore, same has not been considered by the Authority in the instant interim tariff relief.
4. Indexation allowed to TNL is on provisional basis till the finalization of its COD tariff decision by the Authority and shall be subject to adjustment/refund, if necessary, in the light of final decision of the Authority in respect to COD tariff adjustment.
5. The instant decision shall supersede the decision No. NEPRA/R/DG(trf)/TRF-367/TPTPL-2016/8983-87 dated February 14, 2023

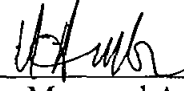
5. The revised tariff components of TNL attached as **Annex-I** are to be notified in the official gazette, in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

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



ThalNova Power Thar (Private) Limited
Quarterly Indexation/ Adjustment of Tariff

Tariff Components	Reference Oct 18, 2016	Revised Jan to Mar 2023 Quarter	Revised April to June 2023 Quarter	Revised July to Sep 2023 Quarter	Indexation
Capacity Charge (Rs./KWh)					
Fixed O&M - Foreign	0.1535	0.4480	0.5669	0.5791	US CPI & Rs./US\$
Fixed O&M - Local	0.1535	0.2122	0.2122	0.2122	CPI Local
Cost of Working Capital	0.1094	0.1094	0.1094	0.1094	-
ROE	1.4075	3.2890	4.1181	4.1616	Rs./US\$
Interest Charges	0.6620	2.9563	3.8378	3.9008	LIBOR & Rs./US\$
Debt Repayment	1.0933	2.5548	3.1988	3.2258	Rs./US\$
Total	3.5792	9.5697	12.0432	12.1889	
Energy Purchase Price (Rs./KWh)					
Variable O&M - Foreign	0.0684	0.1996	0.2526	0.2581	US CPI & Rs./US\$
Variable O&M - Local	0.0456	0.0631	0.0631	0.0631	CPI Local
Water Charges (Govt. of Sindh)	0.2897	0.4131	0.4131	0.4131	Price of Water
Total	0.4037	0.6758	0.7288	0.7343	
Indexation Values					Source
Exchange Rate (Rs./USD)	97.100	226.900	284.100	287.100	NBP - Revised rate for the relevant quarter
US CPI (All Urban Consumers)	238.340	297.711	300.840	304.127	U.S. Bureau of Labor Statistics - Revised value for the relevant quarter
CPI (General) - Local	194.740	269.270	269.270	269.270	Pakistan Bureau of Statistics - Revised value of Jun 2020
3 Monthly LIBOR	0.45%	4.7673%	5.1927%	5.5454%	global-rates.com - Revised rate for the relevant quarter
Price of Water (GoS) (Rs./1000 Gallons)	320.00	456.30	456.30	456.30	Govt. of Sindh notification dated March 30, 2022
Principal Outstanding (USD. Million)	-	373	366.03	358.67	
Hours in the Quarter	-	2,160	2,184	2,208	

* For the purpose of indexation of Local O&M components for Jan-Mar 2023, Apr-June 2023 & Jul-Sep 2023 quarters, CPI for Nov 2022, Feb 2023 & May 2023 were 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 ThalNova Power Thar (Pvt.) Limited.

Q S P

