



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/DG(Trf)/TRF-360/TCB-I-2015/21192-96

August 11, 2023

Subject:- **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for January to March 2023 & April to June 2023 Quarter for Thar coal Block-I Power Generation company (Private) Limited.**

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 Thar Coal Block-I Power Generation Company (Private) Limited for the quarter **January to March 2023 & April to June 2023** on account of US CPI, CPI Local, Exchange Rate and KIBOR/LIBOR variation in Case No. NEPRA/TRF-360/TCB-I-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 Thar Coal Block-I Power Generation Company (Pvt.) Ltd.
No. A-1, Navy Housing Scheme, Zam Zama Link Road, Clifton Block-9, Karachi



DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ ADJUSTMENT OF TARIFF FOR JANUARY TO MARCH 2023 & APRIL TO JUNE 2023 QUARTER FOR THAR COAL BLOCK-1 POWER GENERATION COMPANY (PRIVATE) LIMITED.

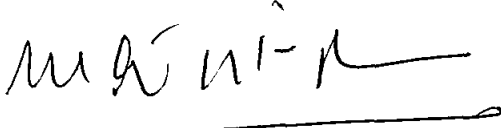
1. Pursuant to the decision of the Authority dated June 10, 2016 in the matter of approval of upfront Thar coal tariff for 2x660 MW coal power plant of Thar Coal Block-1 Power Generation Company (Private) Limited (hereafter "TCB-1"), the relevant tariff components are required to be indexed/adjusted according to the stipulated mechanism therein.
2. TCB-1 filed request for interim relief through quarterly indexation/adjustment which was considered by the Authority. Accordingly, the relevant tariff components in respect of April to June 2023 quarter have been revised on account of US CPI, CPI Local, KIBOR/LIBOR 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 Tariff June 10, 2016	Revised Jan-Mar 2023 Quarter	Revised Apr-Jun 2023 Quarter
Capacity Charge (Rs./KWh)			
Fixed O&M - Foreign	0.1435	0.4189	0.5300
Fixed O&M - Local	0.1435	0.1984	0.1984
Cost of Working Capital	0.1038	0.1606	0.2076
ROE	1.5062	3.5196	4.4069
Interest Charges	0.6295	2.8762	3.6940
Debt Repayment	1.0397	2.4176	3.0323
Total	3.5662	9.5913	12.0692
Energy Purchase Price (Rs./KWh)			
Variable O&M - Foreign	0.0684	0.1996	0.2526
Variable O&M - Local	0.0456	0.0631	0.0631
Water Charges (Government of Sindh)	0.2897	0.2897	0.2897
Total	0.4037	0.5524	0.6054

3. TCB-1 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 TCB-1 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 above referred 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.
6. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

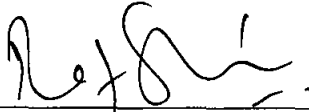
AUTHORITY



Mathar Niaz Rana (nsc)
Member



Engr. Maqsood Anwar Khan
Member



Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Thar Coal Block-1 Power Generation Company (Private) Limited
Quarterly Indexation/ Adjustment of Tariff

Tariff Components	Reference Tariff June 10, 2016	Revised Jan-Mar 2023 Quarter	Revised Apr-Jun 2023 Quarter	Indexation
Capacity Charge (Rs./KWh)				
Fixed O&M - Foreign	0.1435	0.4189	0.5300	US CPI & Rs./US\$
Fixed O&M - Local	0.1435	0.1984	0.1984	CPI Local
Cost of Working Capital	0.1038	0.1606	0.2076	-
ROE	1.5062	3.5196	4.4069	Rs./US\$
Interest Charges	0.6295	2.8762	3.6940	LIBOR & Rs./US\$
Debt Repayment	1.0397	2.4176	3.0323	Rs./US\$
Total	3.5662	9.5913	12.0692	
Energy Purchase Price (Rs./KWh)				
Variable O&M - Foreign	0.0684	0.1996	0.2526	US CPI & Rs./US\$
Variable O&M - Local	0.0456	0.0631	0.0631	CPI Local
Water Charges (Government of Sindh)	0.2897	0.2897	0.2897	-
Total	0.4037	0.5524	0.6054	
Indexation Values				Source
Exchange Rate (Rs./USD)	97.10	226.900	284.100	NBP - Revised rate of Mar 31, 2023
US CPI (All Urban Consumers)	238.343	297.710	300.840	U.S. Bureau of Labor Statistics - Revised value of Feb 2023
CPI (General) - Local	194.74	269.270	269.270	Pakistan Bureau of Statistics - Revised value of Jun 2020
3 Monthly KIBOR	11.91%	17.00%	21.98%	SBP - Revised rate of Mar 31, 2023
3 Monthly LIBOR	0.45%	4.77%	5.193%	global-rates.com - Revised rate of Mar 31, 2023
Principal Outstanding (USD. Million)	-	717.04	703.08	
Hours in the Quarter	-	2,160	2,184	

- For the purpose of indexation of Local O&M components for Jan-March 2023 & Apr-Jun 2023 quarters, CPI for Nov 2022 & Feb 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.

- Based on the data declared by Thar Coal Block-1 Power Generation Company (Private) Limited.

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