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National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-360/TCB-I-2015/ 7158-62

May 27, 2025

Subject: Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Local Variable & Fixed O&M Components of tariff for January-March 2023 to April-June 2023 Quarters and Interest Charge Component of tariff for July-September 2023 to October-December 2024 Quarters for Thar Coal Block-1 Power Generation Company (Private) Limited.

Dear Sir,

Please find enclosed herewith the Decision of the Authority along with Annex-I & II (total 04 pages) regarding quarterly indexation/adjustment of tariff of Thar Coal Block-I Power Generation Company (Private) Limited of Local Variable & Fixed O&M Components of tariff for January-March 2023 to April-June 2023 Quarters and Interest Charge Component of tariff for July-September 2023 to October-December 2024 Quarters on account of N-CPI, SOFR and Exchange Rate variation in Case No. NEPRA/TRF-360/TCB-I-2015.

2. The Decision is being sent to the Federal Government for intimation under Proviso (ii) of Section 31(7) of the NEPRA Act, before its notification by NEPRA pursuant to the said Proviso of Section 31(7) of NEPRA Act, 1997.

Enclosure: As above

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

Wasim Anwar Bhinder
(Wasim Anwar Bhinder)

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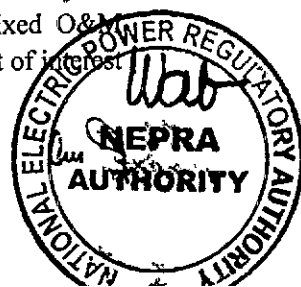
1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
4. Chief Executive Officer, Thar Coal Block-1 Power Generation Company (Pvt.) Limited, 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 LOCAL VARIABLE & FIXED O&M COMPONENTS OF TARIFF FOR JANUARY-MARCH 2023 TO APRIL-JUNE 2023 QUARTERS AND INTEREST CHARGE COMPONENT OF TARIFF FOR JULY-SEPTEMBER 2023 TO OCTOBER-DECEMBER 2024 QUARTERS 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"), decision of the Authority dated March 10, 2021 notified vide S.R.O. No. 1041(I)/2023 on August 9, 2023 in the matter of change of base year 2007-08 to base year 2015-16 for Consumer Price Index for indexation of fixed & variable O&M (Local) components and decisions of the Authority dated December 5, 2024 & December 13, 2024 notified vide S.R.O. No. 73(I)/2025 on January 28, 2025 in the matter of Suo Moto regarding transition from London Interbank Offered Rate (LIBOR) to Secured Overnight Financing Rate (SOFR), the relevant tariff components are required to be adjusted on account of N-CPI, SOFR and Exchange Rate variation.
2. During the approval of January-March 2023 to April-June 2023 quarters, the Authority provisionally approved Local Variable & Fixed O&M components on the basis of last available CPI value i.e. 269.270 of June 2020 (Base Year 2007-08). Similarly, during the approval of July-September 2023 to October-December 2024 quarters, the Authority approved interest charge components on the basis of available LIBOR rates.
3. The Authority through its decision dated March 10, 2021 changed the base year 2007-08 to base year 2015-16 for CPI for indexation of fixed & variable O&M (Local) components. Similarly, the Authority through its decisions dated December 5, 2024 & December 13, 2024 has approved transition from LIBOR to SOFR for generation IPPs w.e.f. July 1, 2023. For TCB-1, the Authority has approved daily simple SOFR + relevant ISDA recommended CAS 0.26161% based on quarterly indexation w.r.t. Interest Component of Debt Servicing (Foreign).
4. TCB-1 has submitted a request for quarterly indexation/adjustment of local variable & fixed O&M components of tariff for January-March 2023 to April-June 2023 quarters and interest charge components of tariff for July-September 2023 to October-December 2024 quarters.
5. Accordingly, the local variable & fixed O&M components of tariff for January-March 2023 to April-June 2023 quarters and interest charge components of tariff for July-September 2023 to October-December 2024 quarters have been revised on account of N-CPI, SOFR and Exchange Rate variations in accordance with the requisite indexation/adjustment mechanism stipulated in the above decision(s) of the Authority.
6. 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 of local variable & fixed O&M components of tariff for January-March 2023 to April-June 2023 quarters and interest charge components of tariff for July-September 2023 to October-December 2024 quarters have been made in accordance with the requisite indexation/adjustment mechanism stipulated in the decision(s) of the Authority. The revised components indicated as **Annex-I** & **Annex-II** shall be immediately applicable."
7. The above decision of the Authority shall supersede the previous decisions of the Authority for January-March 2023 to April-June 2023 quarters to the extent of local variable & fixed O&M components and for July-September 2023 to October-December 2024 quarters to the extent of interest charge component.





8. Indexation allowed to TCB-I 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.
9. The above decision of the Authority along with revised tariff components attached as **Annex-I & Annex-II** 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 (XL of 1997).
10. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

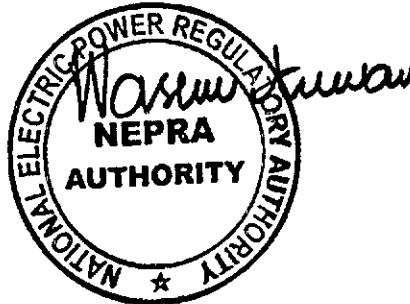
AUTHORITY

Engr. Rafique Ahmed Shaikh
Member

Amina Ahmed
Member

Engr. Maqsood Anwar Khan
Member

Waseem Mukhtar
Chairman

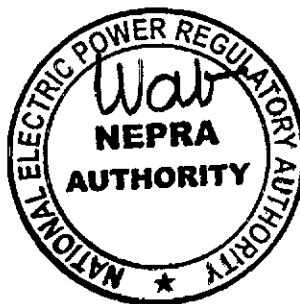


Thar Coal Block-1 Power Generation Company (Private) Limited
Quarterly Indexation/ Adjustment of Tariff

Tariff Components	Reference June 10, 2016, Mar 10, 2021	Revised Jan-Mar 2023 Quarter	Revised Apr-Jun 2023 Quarter	Indexation
Capacity Charge (Rs./kW/h)				
Fixed O&M - Local	0.1435	0.2956	0.3188	N-CPI Local
Total	0.1435	0.2956	0.3188	
Energy Purchase Price (Rs./kWh)				
Variable O&M - Local	0.0456	0.0939	0.1013	CPI Local
Total	0.0456	0.0939	0.1013	
Indexation Values				Source
CPI (General) - Local	194.74	-	-	Pakistan Bureau of Statistics - CPI value of Jun 2014
CPI (General) - Local (May 2020)	268.25	-	-	Pakistan Bureau of Statistics - CPI value of Jun 2020
N-CPI (Local)	131.01	195.890	211.280	Pakistan Bureau of Statistics - N-CPI value of relevant Months

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

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

Tariff Components	Revised Jul-Sep 2023 Quarter	Revised Oct-Dec 2023 Quarter	Revised Jan-Mar 2024 Quarter	Revised Apr-Jun 2024 Quarter	Revised Jul-Sep 2024 Quarter	Revised Oct-Dec 2024 Quarter	Indexation
Capacity Charge (Rs./KW/h)							
Interest Charge	3.5925	3.6393	3.5478	3.4187	3.3073	3.2065	SOFR & Rs./US\$
Indexation Values							Source
Exchange Rate (Rs./USD)	287.10	289.10	282.40	278.50	278.80	278.05	NBP - Revised rates of relevant Months
Daily SOFR + CAS	5.2284%	5.4959%	5.5842%	5.5765%	5.5801%	5.5348%	www.newyorkfed.org - Average values of relevant Quarters
Principal Outstanding (USD. Million)	688.95	674.64	660.15	645.48	630.63	615.60	
Hours in the quarter	2,208	2,208	2,184	2,184	2,208	2,208	

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

