



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/DG(Trf)/TRF-368/TEL-2016/ 9001-05

April 14, 2023


Subject: Decision of the Authority in the matter of Quarterly Indexation/Adjustment for January-March 2023 Quarter of Tariff for Thar Energy Limited (TEL) [CASE NO. NEPRA/TRF-368/TEL-2016]

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 Energy Ltd. for **January-March 2023** quarter on account of US CPI, CPI Local, Water Charges and Exchange Rate variation in Case No. NEPRA/TRF-368/TEL-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

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 Energy Limited, 11th Floor, Ocean Tower, Block-9, Main Clifton Road, Karachi

DECISION OF THE AUTHORITY IN THE MATTER OF QUARTELY INDEXATION/ADJUSTMENT FOR JANUARY TO MARCH 2023 QUARTER OF TARIFF FOR THAR ENERGY LIMITED (TEL).

Pursuant to the decision of the Authority dated October 18, 2016, notified vide S.R.O No. 725(I)/2017 on July 27, 2017, in the matter of approval of upfront Thar coal tariff for 330 MW coal power plant of Thar Energy Limited (hereinafter "TEL"), the relevant tariff components of TEL in respect of January to March 2023 quarter have been revised on account of US CPI, CPI Local, 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
Capacity Charge (Rs./KWh)		
Fixed O&M – Foreign	0.1535	0.4480
Fixed O&M – Local	0.1535	0.2122
Cost of Working Capital	0.1094	0.1094
Total	0.4164	0.7696
Energy Purchase Price (Rs./KWh)		
Variable O&M – Foreign	0.0684	0.1996
Variable O&M – Local	0.0456	0.0631
Water Charges (O&M)	0.0600	0.0600
Water Charges (Capital Cost)	0.1574	0.1574
Water Charges (Govt. of Sindh)	0.2897	0.4131
Total	0.6211	0.8932

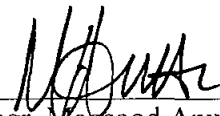
The revised tariff components of TEL attached as **Annex-I** are to be notified in the official gazette, in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

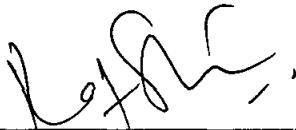
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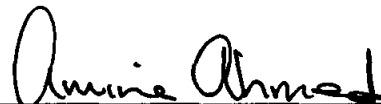
Mathar Niaz Rana (nsc)
Member



Engr. Maqsood Anwar Khan
Member



Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Tauseef H. Farooqi
Chairman

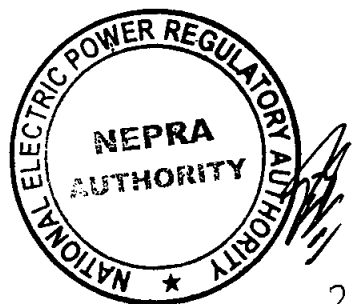
Thar Energy Limited
Quarterly Indexation/ Adjustment of Tariff

Tariff Components	Reference Oct 18, 2016	Revised Jan to Mar 2023 Quarter	Indexation
Capacity Charge (Rs./KWh)			
Fixed O&M - Foreign	0.1535	0.4480	US CPI & Rs./US\$
Fixed O&M - Local	0.1535	0.2122	CPI Local
Cost of Working Capital	0.1094	0.1094	-
Total	0.4164	0.7696	
Energy Purchase Price (Rs./KWh)			
Variable O&M - Foreign	0.0684	0.1996	US CPI & Rs./US\$
Variable O&M - Local	0.0456	0.0631	CPI Local
Water Charges (O&M)	0.0600	0.0600	-
Water Charges (Capital Cost)	0.1574	0.1574	-
Water Charges (Govt. of Sindh)	0.2897	0.4131	Price of Water
Total	0.6211	0.8932	
Indexation Values			
Exchange Rate (Rs./USD)	97.100	226.900	NBP - Revised rate of Dec 30, 2022
US CPI (All Urban Consumers)	238.340	297.711	U.S. Bureau of Labor Statistics - Revised value of Nov 2022
CPI (General) - Local	194.740	269.270	Pakistan Bureau of Statistics - Revised value of Jun 2020
Price of Water (GoS) (Rs./1000 Gallons)	320.00	456.30	Govt. of Sindh notification dated March 30, 2022

* 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 Thar Energy Limited.



2072