



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-368/TEL-2016/ 35654-58

October 30, 2023

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment in the Tariff for Thar Energy Limited for October-December 2023 [CASE NO. NEPRA/TRF-368/TEL-2016]**

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 Thar Energy Ltd. for **October-December 2023** quarter on account of US CPI, N-CPI, KIBOR/ LIBOR, Water Charges, Exchange Rate and Coal Price(s) 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 QUARTERLY INDEXATION/ADJUSTMENT IN THE TARIFF OF THAR ENERGY LIMITED FOR OCTOBER TO DECEMBER 2023 QUARTER.

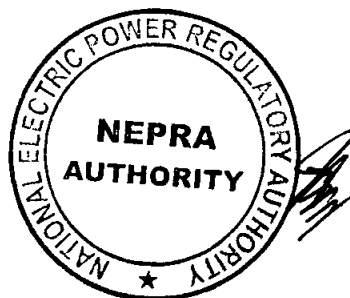
1. Pursuant to the decision of the Authority dated October 18, 2016, notified vide S.R.O. No. 725(I)/2017 on July 27, 2017 in the matter of approval of upfront Thar coal tariff for 330 MW coal power plant of Thar Energy Limited (hereafter "TEL") and the decision of the Authority dated March 10, 2021 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, the relevant tariff components are required to be adjusted on account of US CPI, N-CPI, KIBOR/LIBOR, Water Charges, Exchange Rate and Coal Price(s) variation.
2. The Authority in its collective and joint wisdom decided with consensus as under; which will be hereafter called as decision of Authority in the matter:-

"Indexation/adjustment for October to December 2023 quarter has been made in the tariff components in accordance with the requisite indexation/adjustment mechanism stipulated in the decision(s) of the Authority."

3. The revised components are indicated hereunder shall be immediately applicable.

Tariff Components	Reference Oct 18, 2016 & Mar 10, 2021	Revised Oct-Dec 2023 Quarter
Capacity Charge (Rs./KWh)		
Fixed O&M - Foreign	0.1535	0.5887
Fixed O&M - Local	0.2114	0.3861
Cost of Working Capital	0.1094	0.3244
Insurance	0.0944	0.0944
ROE	1.4075	4.1906
Interest Charges	0.6068	3.8037
Debt Repayment	1.1484	3.3291
Total	3.7314	12.7170
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.0684	0.2623
Variable O&M - Local	0.0628	0.1147
Water Charges (Government of Sindh)	0.2897	0.4131
Total	0.4209	0.7901

4. TEL also requested quarterly indexation/adjustment with reference components of Ash Disposal, Limestone, Water Charges (Capital Cost) and Water Charges (O&M). These components are required to be adjusted as per actual at the time of COD adjustment, therefore, the same have not been considered by the Authority in the instant quarterly indexation/adjustment.
5. Indexation allowed to TEL 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.

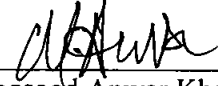


6. The above referred revised tariff components attached as Annex-I are to be notified in the official gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.
7. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

AUTHORITY



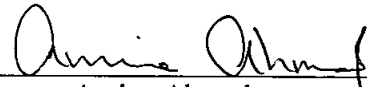
Mathar Niaz Rana (nsc)
Member



Engr. Maqsood Anwar Khan
Member



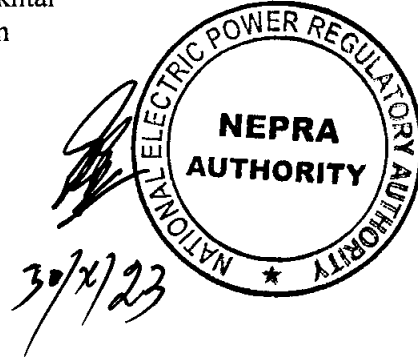
Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Waseem Mukhtar
Chairman



Thar Energy Limited
Quarterly Indexation/ Adjustment of Tariff

Tariff Components	Reference Oct 18, 2016 & Mar 10, 2021	Revised Oct-Dec 2023 Quarter	Indexation
Capacity Charge (Rs./KWh)			
Fixed O&M - Foreign	0.1535	0.5887	US CPI & Rs./US\$
Fixed O&M - Local	0.2114	0.3861	N-CPI Local
Cost of Working Capital	0.1094	0.3244	KIBOR & Fuel Cost
Insurance	0.0944	0.0944	-
ROE	1.4075	4.1906	Rs./US\$
Interest Charges	0.6068	3.8037	LIBOR & Rs./US\$
Debt Repayment	1.1484	3.3291	Rs./US\$
Total	3.7314	12.7170	
Energy Purchase Price (Rs./KWh)			
Variable O&M - Foreign	0.0684	0.2623	US CPI & Rs./US\$
Variable O&M - Local	0.0628	0.1147	N-CPI Local
Water Charges (Government of Sindh)	0.2897	0.4131	Price of Water
Total	0.4209	0.7901	
Indexation Values			Source
Exchange Rate (Rs./USD)	97.10	289.100	NBP - Revised rate of Sep 28, 2023
US CPI (All Urban Consumers)	238.34	307.026	U.S. Bureau of Labor Statistics - Revised value of Aug 2023
N-CPI (Local)	131.01	239.270	Pakistan Bureau of Statistics - Revised value of Aug 2023
3 Monthly KIBOR	11.91%	22.66%	SBP - Revised rate of Sep 28, 2023
3 Monthly LIBOR	0.45%	5.657%	www.brecorder.com - Revised rate of Sep 29, 2023
Variable Coal Price (Rs./MT)	1,393.44	4,231.26	Weighted Average Variable Price of Coal Consumed during Jul-Sep 2023
Coal Calorific Value (BTUs/Kg)	11,005	10,710	Weighted Average CV of Coal Consumed during Jul-Sep 2023
Price of Water (GoS) (Rs./1000 Gallons)	320	456.30	Govt. of Sindh notification dated March 30, 2022
Principal Outstanding (USD. Million)	-	343.68	
Hours in the Quarter	-	2,208	

- Based on the data declared by Thar Energy Limited.

[Signature]

