



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-368/TEL-2016/ 12346-50

August 06, 2024

Subject: Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for July-September 2024 Quarter for Thar Energy Limited [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 **July-September 2024** 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 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

Wasim Anwar Bhinder
(Wasim Anwar Bhinder)

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

Copy to:

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 OF TARIFF FOR JULY TO SEPTEMBER 2024 QUARTER FOR THAR ENERGY LIMITED.

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 considering all aspects decided with consensus as under; which will be hereafter called as decision of Authority in the matter:-

"Indexation/adjustment for July to September 2024 quarter has been made in the tariff components in accordance with the requisite indexation/adjustment mechanism stipulated in the decision(s) of the Authority. The revised components are indicated hereunder shall be immediately applicable."

Tariff Components	Reference Oct 18, 2016 & Mar 10, 2021	Revised Jul-Sep 2024 Quarter
Capacity Charge (Rs./KWh)		
Fixed O&M - Foreign	0.1535	0.5808
Fixed O&M - Local	0.2114	0.4111
Cost of Working Capital	0.1094	0.3022
Insurance	0.0944	0.0944
ROE	1.4075	4.0413
Interest Charges	0.6068	3.3996
Debt Repayment	1.1484	3.3301
Total	3.7314	12.1595
Energy Purchase Price (Rs./KWh)		
Variable O&M - Foreign	0.0684	0.2588
Variable O&M - Local	0.0628	0.1221
Water Charges (Government of Sindh)	0.2897	0.4131
Total	0.4209	0.7940

3. 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.
4. 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.



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5. The above decision of the Authority along with 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

Waseem Mukhtar
Chairman



Thar Energy Limited
Quarterly Indexation/ Adjustment of Tariff

Tariff Components	Reference Oct 18, 2016 & Mar 10, 2021	Revised Jul-Sep 2024 Quarter	Indexation
Capacity Charge (Rs./KWh)			
Fixed O&M - Foreign	0.1535	0.5808	US CPI & Rs./US\$
Fixed O&M - Local	0.2114	0.4111	N-CPI Local
Cost of Working Capital	0.1094	0.3022	KIBOR & Fuel Cost
Insurance	0.0944	0.0944	-
ROE	1.4075	4.0413	Rs./US\$
Interest Charges	0.6068	3.3996	LIBOR & Rs./US\$
Debt Repayment	1.1484	3.3301	Rs./US\$
Total	3.7314	12.1595	
Energy Purchase Price (Rs./KWh)			
Variable O&M - Foreign	0.0684	0.2588	US CPI & Rs./US\$
Variable O&M - Local	0.0628	0.1221	N-CPI Local
Water Charges (Government of Sindh)	0.2897	0.4131	Price of Water
Total	0.4209	0.7940	
Indexation Values			Source
Exchange Rate (Rs./USD)	97.10	278.800	NBP - Revised rate of Jun 28, 2024
US CPI (All Urban Consumers)	238.34	314.069	U.S. Bureau of Labor Statistics - Revised value of May 2024
N-CPI (Local)	131.01	254.780	Pakistan Bureau of Statistics - Revised value of May 2024
3 Monthly KIBOR	11.91%	20.24%	SBP - Revised rate of Jun 28, 2024
3 Monthly LIBOR	0.45%	5.586%	Glober-rates.com - Revised rate of Jun 28, 2024
Variable Coal Price (Rs./MT)	1,393.44	4,678.23	Weighted Average Variable Price of Coal Consumed during Apr-Jun 2024
Coal Calorific Value (BTUs/Kg)	11,005	10,710	Weighted Average CV of Coal Consumed during Apr-Jun 2024
Price of Water (GoS) (Rs./1000 Gallons)	320	456.30	Govt. of Sindh notification dated March 30, 2022
Principal Outstanding (USD. Million)	-	320.49	
Hours in the Quarter	-	2,208	

- Based on the data declared by Thar Energy Limited.

