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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-242/HSML-2014/5053-57

August 11, 2022

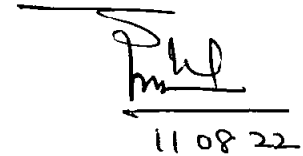
Subject: **Decision of the Authority for Quarterly Indexation/Adjustment of Tariff for Hamza Sugar Mills Limited (HSML) for the July-September 2022 Quarter (Case No. NEPRA/TRF-242/HSML-2014)**

Dear Sir,

Please find enclosed herewith the subject decision of the Authority along with Annex-I (02 pages) regarding quarterly indexation/adjustment of tariff of Hamza Sugar Mills Limited (HSML) for the July-September 2022 quarter in Case No. NEPRA/TRF-242/HSML-2014.

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



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(Syed Safeer Hussain)

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

CC:

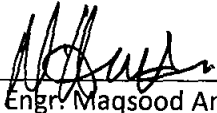
1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
4. General Manager, Hamza Sugar Mills Ltd., A/22, S.I.T.E., Mauripur Road, Karachi-75730

DECISION OF THE AUTHORITY FOR QUARTERLY INDEXATION/ADJUSTMENT OF TARIFF OF HAMZA SUGAR MILLS LIMITED (HSML) FOR THE QUARTER FROM JULY-SEPTEMBER, 2022

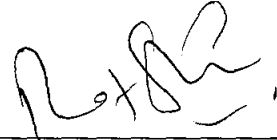
The Authority issued its decision in the matter of application of Hamza Sugar Mills Limited ("HSML") opting for upfront tariff on September 12, 2014. The Authority then issued its decision regarding one-time adjustment in the upfront Tariff of HSML on May 12, 2017. Later, the Authority vide decision dated April 09, 2021 in the matter of application filed by Central Power Purchasing Agency Guarantee Ltd. (CPPAGL) adjusted the aforesaid decision dated May 12, 2017 which has been notified through S.R.O 719(I)/2021 dated June 04, 2021.

2. Pursuant to the aforesaid decisions of the Authority, the tariff of HSML for the quarter July-September, 2022 has been adjusted. The revised tariff for the quarter July-September, 2022 is attached herewith as **Annex-I**.
3. The adjusted/ indexed tariff attached as **Annex-I** is 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.
4. CPPAGL to ensure that all the payments are consistent with tariff determination.

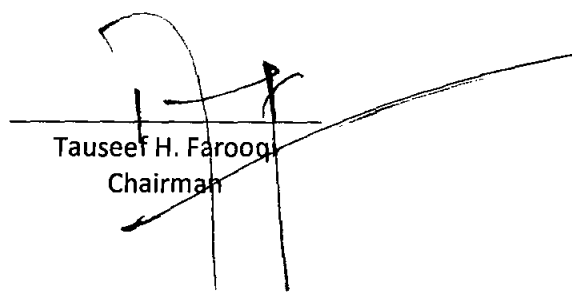
AUTHORITY



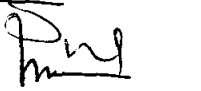
Engr. Maqsood Anwar Khan
Member



Engr. Rafique Ahmed Shaikh
Member/Vice Chairman



Tauseef H. Farooq
Chairman



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Hamza Sugar Mills Limited (Rahim Yar Khan)
Quarterly Indexation/Adjustment of Tariff

| Tariff Components | Reference Tariff | Revised Jul-Sep, 2022 |
|---|---------------------|-----------------------------|
| | Rs./kWh | |
| Variable O&M - Local | 0.1078 | 0.1465 |
| Variable O&M - Foreign | 0.3054 | 0.7665 |
| Fixed O&M - Local | 0.2875 | 0.3907 |
| Return on Equity | 0.7329 | 1.4860 |
| Debt Service | 3.8970 | 4.6718 |
| Working Capital | 0.1733 | 0.2586 |
| Insurance | 0.1543 | 0.1543 |
| Total | 5.6582 | 7.8744 |
| Indexation Values | | |
| CPI (General) | 198.160 | 269.270 |
| US CPI | 236.119 | 292.296 |
| Exchange Rate | 101.600 | 206.00 |
| 3 Monthly KIBOR | 9.50% | 15.16% |
| <p>* For the purpose of indexation of Fixed O&M (Local) component for quarter Jul-Sep 2022, CPI for May 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.</p> <p>The Authority vide its decision dated March 10, 2021 replaced CPI Base Year 2007-08 with N-CPI Base Year 2015-16, however, that decision shall be implemented upon Notification in the Official Gazette.</p> <p>As per relevant provision of the EPA, 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 notification of the Authority's decision of revised index.</p> | | |

