



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/R/DG(Trf)/TRF-242/HSML-2014/13400--04

May 29, 2023

Subject: Decision of the Authority for Quarterly Indexation/Adjustment of Tariff for Hamza Sugar Mills Limited (HSML) for the April - June 2023 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 April - June 2023 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

(Engr. Mazhar Iqbal Ranjha)

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

Copy to: (alongwith copy of subject Decision):


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

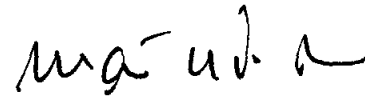
DECISION OF THE AUTHORITY FOR QUARTERLY INDEXATION/ADJUSTMENT OF TARIFF OF HAMZA SUGAR MILLS LIMITED (HSML) FOR THE QUARTER FROM APRIL-JUNE, 2023

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.

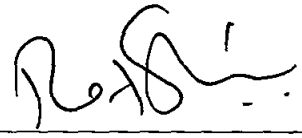
2. Pursuant to the aforesaid decisions of the Authority, the tariff of HSML for the quarter April-June, 2023 has been adjusted. The revised tariff for the quarter April-June, 2023 is attached herewith as **Annex-I**.
3. The adjusted/ indexed tariff attached as **Annex-I** is to be notified in the official 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.

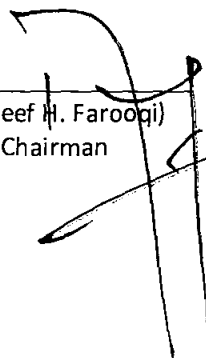
AUTHORITY


(Amina Ahmed)
Member


(Mathar Niaz Rana (nsc))
Member


(Engr. Maqsood Anwar Khan)
Member


(Rafique Ahmed Shaikh)
Member


(Tauseef H. Farooqi)
Chairman



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

Tariff Components	Reference Tariff	Revised Apr-Jun, 2023	Indexation
Date of decisions	Sep 12, 2014 May 12, 2017 Apr 09, 2021		
	Rs./kWh		
Variable O&M - Local	0.1078	0.1465	CPI
Variable O&M - Foreign	0.3054	1.0881	US CPI & Rs./US \$
Fixed O&M - Local	0.2875	0.3907	CPI
Return on Equity	0.7329	2.0494	Rs./US \$
Debt Service	3.8970	5.4139	KIBOR
Working Capital	0.1733	0.3614	KIBOR
Insurance	0.1543	0.1543	-
Total	5.6582	9.6043	
Indexation Values			Sources (Website)
CPI (General)-Revised value of Jun 2020	198.160	269.270	Pakistan Bureau of Statistics
US CPI- Revised value of Feb 2023	236.119	300.840	US Bureau of Labor Statistics
Exchange Rate- Revised rate of Mar 31, 2023	101.600	284.10	NBP
3 Month KIBOR- Revised rate of Mar 31, 2023	9.50%	21.98%	SBP
Principal Outstanding (Rs./MW)		43,721,800	
Quarterly Benchmark Energy (kWh)		13,340,700	

Above indexation is on the basis of the information provided by HSML and verified by NEPRA.

For the purpose of indexation of Fixed O&M (Local) component for quarter Apr-Jun 2023, CPI for Feb 2023 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.

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.

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.

