



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad
Ph: +92-51-9206500, Fax: +92-51-2600026
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/R/ADG(Trf)/TRF-253/JDWSML-2013/2607-11

February 18, 2022

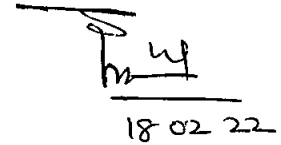
Subject: Decision of the Authority for Quarterly Indexation/Adjustment of Tariff for JDW Sugar Mills Limited Unit-II (JDWSML-II) for the period from November 29, 2021 – December 31, 2021 and for the quarter from January-March 2022 [Case No. NEPRA/TRF-253/JDWSML-2013]

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 JDW Sugar Mills Limited Unit-II (JDWSML-II) for the period from November 29, 2021 – December 31, 2021 and for the quarter from January-March 2022 in Case No. NEPRA/TRF-253/JDWSML-2013.

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



(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. Chief Executive Officer, JDW Sugar Mills Limited, 17-Abid Majeed Road, Lahore Cantt., Lahore

DECISION OF THE AUTHORITY FOR QUARTERLY INDEXATION/ADJUSTMENT OF TARIFF OF JDW SUGAR MILLS LIMITED UNIT-II FOR THE PERIOD FROM NOVEMBER 29, 2021 – DECEMBER 31, 2021 AND FOR THE QUARTER FROM JANUARY-MARCH, 2022

The Authority issued its decision in the matter of application of JDW Sugar Mills Limited (JDWSML-II) opting for upfront tariff on November 06, 2013. The Authority then issued its decision regarding one-time adjustment in the upfront Tariff of JDWSML-II on September 14, 2015. 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 September 14, 2015 which has been notified through S.R.O 715(I)/2021 dated June 04, 2021.


2. The aforesaid decision of the Authority dated April 09, 2021 was approved to become effective as per the timeline agreed in the Master Agreement signed between CPPAGL and JDWSML-II. CPPAGL vide letter dated January 06, 2022 has informed that the said decision dated April 09, 2021 has become effective on November 29, 2021.

3. In pursuance to decision issued on September 14, 2015, the Authority on November 03, 2021 adjusted/indexed the tariff of JDWSML-II for the quarter October-December, 2021. Now in pursuant to decision dated April 09, 2021, the adjusted/indexed tariff for the quarter October-December, 2021 issued on November 03, 2021 is being modified, which shall be applicable from November 29, 2021 till December 31, 2021. In addition, the tariff for the quarter January-March, 2022 has also been adjusted in accordance with the above mentioned decisions. The revised tariff for the period from November 29, 2021-December 31, 2021 and for the quarter January-March, 2022 is attached herewith as **Annex-I**.

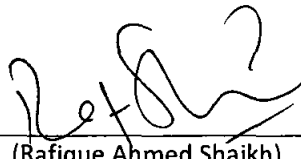
4. The adjusted/ indexed tariff attached as **Annex-I** is to be notified in the official gazette in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

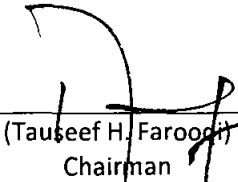
5. CPPAGL to ensure that all the payments are consistent with tariff determination.

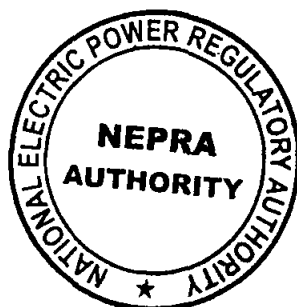
AUTHORITY



(Rehmatullah Baloch)
Member


(Engr. Maqsood Anwar Khan)
Member


(Rafique Ahmed Shaikh)
Member/Vice Chairman


(Tauseef H. Farooqi)
Chairman




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JDW Sugar Mills Limited (Unit II) Rahim Yar Khan
Quarterly Indexation/Adjustment of Tariff

| Tariff Components | Reference Tariff | Revised Nov 29- Dec 31, 2021 | Revised Jan-Mar, 2021 |
|--|------------------|---------------------------------|--------------------------|
| Capacity Charge (Rs./kWh) | | | |
| Variable O&M - Local | 0.1078 | 0.1465 | 0.1465 |
| Variable O&M - Foreign | 0.3054 | 0.5954 | 0.6297 |
| Fixed O&M - Local | 0.2875 | 0.3907 | 0.3907 |
| Return on Equity | 0.7333 | 1.2338 | 1.2844 |
| Debt Service | 3.8970 | 3.7004 | 4.0121 |
| Working Capital | 0.1733 | 0.1474 | 0.1890 |
| Insurance | 0.1543 | 0.1543 | 0.1543 |
| Total | 5.6586 | 6.3685 | 6.8067 |
| Indexation Values | | | |
| CPI (General) | 198.160 | 269.270 | 269.270 |
| US CPI | 236.119 | 273.567 | 277.948 |
| Exchange Rate | 101.60 | 170.95 | 177.95 |
| 3 Monthly KIBOR | 9.50% | 7.78% | 10.54% |
| <p>* For the purpose of indexation of Fixed O&M (Local) component for Oct-Dec 2021 quarter, CPI for Aug 2021 and for Jan-Mar 2022, CPI for Nov 2021 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> | | | |

