



# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/DD(Tariff/RE)/TRF-265/RKML-2014/40112-40114  
November 9, 2020

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for RK Mills Limited (RKML) [Case No. NEPRA/TRF-265/RKML-2014]**

Dear Sir,

Please find enclosed herewith the decision of the Authority along with (Annex-I) (02 pages) regarding quarterly indexation/adjustment of tariff of RK Mills Limited (RKML) for the quarter October - December 2020 on account of US CPI, CPI (General), Exchange Rate and KIBOR variation in Case No. NEPRA/TRF-265/RKML-2014.

2. The decision is being intimated to the Federal Government for the purpose of notification of adjustment in the approved tariff through the official Gazette pursuant to Section 31 (7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

3. The adjusted/indexed tariff attached as Annex-I is to be notified in the Official Gazette.

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.



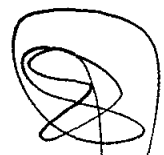
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ ADJUSTMENT OF  
TARIFF FOR RYK MILLS LIMITED (RYKML)**


1. The Authority issued a decision dated June 25, 2014 in the matter of application submitted by RYK Mills Limited (RYKML) for opting Upfront Tariff, 2013 for Bagasse based Co-generation power projects. The said decision was notified vide S.R.O No. 844(I)/2014 dated September 26, 2014. Subsequently, on achieving commercial operations, the Authority issued a decision dated November 02, 2015 regarding One Time Adjustment of Upfront Tariff of RYK Mills Limited which was later notified vide S.R.O No. 22(I)/2016 dated January 07, 2016. A corrigendum was also issued by the Authority dated October 31, 2016 regarding the decision dated November 02, 2015. the tariff of RYKML has been revised for the quarter October-December, 2020, on account of US CPI, CPI (General), exchange rate and KIBOR variation in accordance with the requisite indexation/adjustment mechanisms stipulated in the aforementioned decision(s) of the Authority. The revised tariff indicated in **Annex-I**, shall be applicable for the energy sold during the specified quarter.
2. The aforementioned adjusted/indexed tariff mentioned in **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.
3. CPPA-G to ensure that all the payments are consistent with tariff determination.

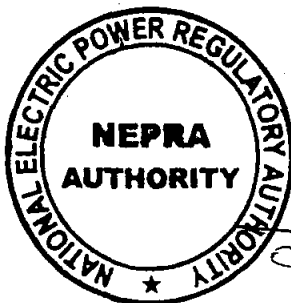
**AUTHORITY**

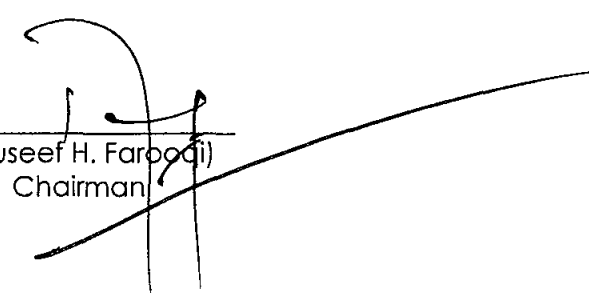
  
(Saif Ullah Chattha)  
Member 3.11.2020

  
(Rafique Ahmed Shaikh)  
Member

  
24/11/2020  
(Rehmatullah Baloch)  
Member

  
(Engr. Bahadur Shah)  
Member



  
(Tauseef H. Farooqi)  
Chairman

09.11.20

**RYK Mills Limited**  
**Quarterly Indexation/Adjustment of Tariff**

Tariff Components	Reference Tariff	Revised Oct-Dec, 2020
Variable O&M - Local	0.1197	0.1627
Variable O&M - Foreign	0.3393	0.6117
Fixed O&M - Local	0.3194	0.4340
Return on Equity	1.0346	1.6945
Debt Service	3.8970	3.5890
Working Capital	0.1733	0.1394
Insurance	0.2204	0.2204
<b>Total</b>	<b>6.1037</b>	<b>6.8517</b>
<b>Indexation Values</b>		
CPI (General)	198.160	269.270
US CPI	236.119	259.918
Exchange Rate	101.60	166.40
3 Monthly KIBOR	9.50%	7.25%

\*For the purpose of indexation of Local O&M component for the quarter Oct-Dec 2020, the latest available data of CPI (General) published by Pakistan Bureau of Labour Statistics was required to be used as per the tariff determination and relevant provisions of power purchase agreement. However, Pakistan Bureau of Labour Statistics has discontinued the publication of CPI based on base year (2007-08) w.e.f July 2020 and replaced the same with National CPI based on the base year of (2015-16). Accordingly, as per the applicable provision of the tariff determination and PPA, the latest available CPI of June 2020 based on base year of 2007-08 has been used for the instant adjustment. Further, the instant adjustment w.r.t Local O&M is being made on provisional basis, subject to revision upon decision of the Authority on revised index value of CPI.

