



Registrar

# National Electric Power Regulatory Authority

## Islamic Republic of Pakistan

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Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/R/ADG(Trf)/TRF-265/RYKML-2014/2553-57 February 18, 2022

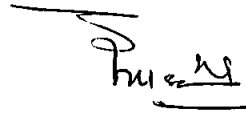
**Subject: Decision of the Authority for Quarterly Indexation/Adjustment of Tariff for RYK Mills Limited (RYKML) for the period from November 29, 2021 – December 31, 2021 and for the quarter from January-March 2022 [Case No. NEPRA/TRF-265/RYKML-2014]**

Dear Sir,

Please find enclosed herewith the decision of the Authority along with (Annex-I) (02 pages) regarding quarterly indexation/adjustment of tariff of RYK Mills Limited (RYKML) for the period from November 29, 2021 – December 31, 2021 and for the quarter from January-March 2022 in Case No. NEPRA/TRF-265/RYKML-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

  
18 02 22  
( 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. Head Energy Business, RYK Mills Ltd., 75/4, Sarfraz Rafiqui Road, Lahore Cantt. Lahore Tele: 042 – 3660 1385

**DECISION OF THE AUTHORITY FOR QUARTERLY INDEXATION/ADJUSTMENT OF TARIFF OF RYK MILLS LIMITED (RYKML) 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 RYK Mills Limited ("RYKML") opting for upfront tariff on June 25, 2014. The Authority then issued its decision regarding one-time adjustment in the upfront Tariff of RYKML on November 02, 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 November 02, 2015 which has been notified through S.R.O 711(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 RYKML. CPPAGL vide letter dated January 06, 2022 has informed that the said decision dated April 09, 2021 has become effective on November 29, 2021.

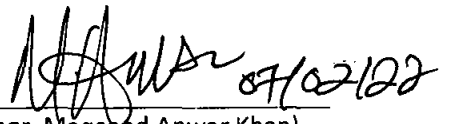
3. In pursuance to decision issued on November 02, 2015, the Authority on November 12, 2021 adjusted/indexed the tariff of RYKML for the quarter October-December, 2021. Now in pursuant to decision dated April 09, 2021, the adjusted/indexed tariff for the quarter October-December, 2021 issued on November 12, 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**.

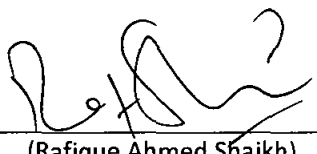
4. The adjusted/ indexed tariff attached as **Annex-I** is to be notified in the official gazette in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

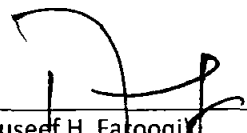
5. CPPAGL to ensure that all the payments are consistent with tariff determination.

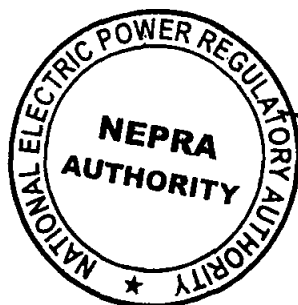
**AUTHORITY**

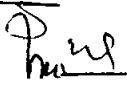
  
(Rehmatullah Baloch)  
Member

  
(Engr. Maqsood Anwar Khan)  
Member

  
(Rafique Ahmed Shaikh)  
Member/Vice Chairman  
08/02/22

  
(Tauseef H. Farooqi)  
Chairman



  
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## RYK Mills Limited

## Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference Tariff	Revised from Nov 29- Dec 31, 2021	Revised from Jan-Mar, 2022
	Rs./kWh		
Variable O&M - Local	0.1078	0.1465	0.1465
Variable O&M - Foreign	0.3054	0.5953	0.6296
Fixed O&M - Local	0.2875	0.3907	0.3907
Return on Equity	0.7333	1.2338	1.2843
Debt Service	3.8970	3.7004	4.0121
Working Capital	0.1733	0.1474	0.1890
Insurance	0.1543	0.1543	0.1543
<b>Total</b>	<b>5.6586</b>	<b>6.3684</b>	<b>6.8065</b>
<b>Indexation Values</b>			
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 local O&amp;M components for the quarters Oct-Dec 2021 and Jan-Mar, 2022, CPI for Aug 2021 and November 2021 respectively 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&amp;M components is being made on provisional basis, subject to revision upon notification of the Authority's decision of revised index.</p>			

