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No. NEPRA/R/DG(Trf)/TRF-265/RKML-2014/21017-21

August 09, 2023

Subject: **Decision of the Authority for Quarterly Indexation/Adjustment of Tariff for RYK Mills Limited (RYKML) for the quarter from July to September 2023 [Case No. NEPRA/TRF-265/RKML-2014]**

Dear Sir,

Please find enclosed herewith the decision of the Authority along with **Annex-I** (total 02 pages) regarding quarterly indexation/adjustment of tariff of RYK Mills Limited (RYKML) for **July to September 2023** Quarter in Case No. NEPRA/TRF-265/RKML-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. 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 QUARTER JUL-SEP, 2023

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.

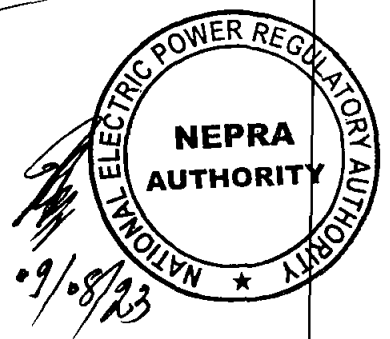
2. Pursuant to the aforesaid decisions of the Authority, the tariff of RYKML for the quarter July-Sep, 2023 has been adjusted. The revised tariff for the quarter Jul-Sep, 2023 is attached herewith as **Annex-I**.
3. The adjusted/ indexed tariff attached as **Annex-I** is to be notified in the official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

(Mathar Niaz Rana (nsc))
Member

(Engr. Maqsood Anwar Khan)
Member

(Rafique Ahmed Shaikh)
Member

(Amina Ahmed)
Member
(Tauseef H. Farooqi)
Chairman

RYK Mills Limited
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference Tariff	Revised Tariff	Indexation
Date of decisions	Nov 02, 2015 Sep 15, 2015 Apr 09, 2021	Jul-Sep 2023	
	Rs./kWh		
Variable O&M - Local	0.1078	0.1465	CPI
Variable O&M - Foreign	0.3054	1.1114	US CPI & Rs./US \$
Fixed O&M - Local	0.2875	0.3907	CPI
Return on Equity	0.7333	2.0721	Rs./US \$
Debt Service	3.8970	4.8019	KIBOR
Working Capital	0.1733	0.3754	KIBOR
Insurance	0.1543	0.1543	-
Total	5.6586	9.0523	
Indexation Values			Sources (Website)
CPI (General)-Revised value of June 2020	198.160	269.270	Pakistan Bureau of Statistics
US CPI- Revised value of May 2023	236.119	304.127	US Bureau of Labor Statistics
Exchange Rate- Revised rate of June 30, 2023	101.60	287.10	NBP
3 Monthly KIBOR- Revised rate of June 30, 2023	9.50%	22.91%	SBP
Principal Outstanding (Rs./MW)		24,538,200	
Quarterly Benchmark Energy (kWh)		27,274,320	

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

For the purpose of indexation of local O&M components for the quarter Jul-Sep, 2023, CPI for May 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.

