



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-370/CEL-2016/2327-31

February 10, 2023

Subject: **Decision of the Authority for Quarterly Indexation/Adjustment of Tariff for Chanar Energy Limited (CEL) for the quarter from January-March 2023**
[Case No. NEPRA/TRF-370/CEL-2016]

Dear Sir,

Please find enclosed herewith the decision of the Authority along with (Annex-I) (02 pages) regarding quarterly indexation/adjustment of tariff for Chanar Energy Limited (CEL) for January-March 2023 quarter in Case No. NEPRA/TRF-370/CEL-2016.

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

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, Chanar Energy Limited, 7-A, Muslim Town, Lahore

**DECISION OF THE AUTHORITY FOR QUARTERLY INDEXATION/ADJUSTMENT OF TARIFF OF
CHANAR ENERGY LIMITED (CEL) FOR THE QUARTER FROM JANUARY-MARCH, 2023**

The Authority issued its decision in the matter of application of Chanar Energy Limited ("CEL") opting for upfront tariff on December 07, 2016. The Authority then issued its decision regarding one-time adjustment in the upfront Tariff of CEL on April 18, 2019. 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 April 18, 2019 which has been notified through S.R.O 708(I)/2021 dated June 04, 2021.

2. Pursuant to the aforesaid decisions of the Authority, the tariff of CEL for the quarter January-March, 2023 has been adjusted. The revised tariff for the quarter January-March, 2023 is attached herewith as **Annex-I**.

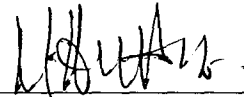
3. The adjusted/ indexed tariff attached as **Annex-I** is to be notified in the official gazette in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

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

AUTHORITY



(Mathar Niaz Rana(nsc))
Member



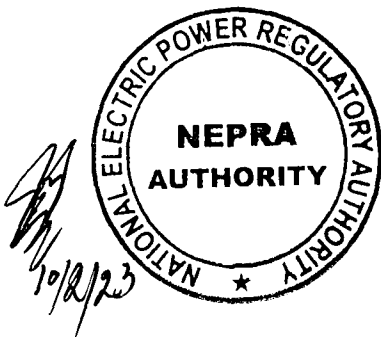
(Engr. Maqsood Anwar Khan)
Member



(Rafique Ahmad Shaikh)
Member



(Tauseef H. Farooqi)
Chairman



Chanar Energy Limited
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference Tariff	Revised Jan-Mar, 2023	Indexation
Date of decisions	Apr 09, 2021 Oct 31, 2016		
	(Rs./kWh)		
Variable O&M - Local	0.1078	0.1465	CPI
Variable O&M - Foreign	0.3054	0.8600	US CPI & Rs./US \$
Fixed O&M - Local	0.2875	0.3907	CPI
Return on Equity	0.7325	1.6359	Rs./US \$
Debt Service	3.8970	5.1349	KIBOR
Working Capital	0.1733	0.2863	KIBOR
Insurance	0.1543	0.1543	-
Total	5.6578	8.6086	
Indexation Values			Sources (Websites)
CPI (General)-Revised value of Jun 2020	198.160	269.270	Pakistan Bureau of Statistics
US CPI- Revised value of Nov 2022	236.119	297.711	US Bureau of Labor Statistics
Exchange Rate- Revised rate of Dec 30, 2022	101.60	226.90	NBP
3 Monthly KIBOR- Revised rate of Dec 30, 2022	9.50%	17.00%	SBP
Principal Outstanding (Rs./MW)		58,719,300	
Quarterly Benchmark Energy		19,566,360	

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

For the purpose of indexation of Local O&M components for quarter January-March, 2023 quarter, CPI for November 2022 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.

