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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-72/EPQL-2007/2341-45 February 10, 2023

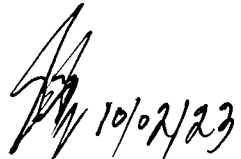
Subject: Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for Engro Powergen Qadirpur Ltd. for January-March 2023 Quarter (Case No. NEPRA/TRF-72/EPQL-2007)

Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised tariff components (Annex-I) (02 pages) regarding adjustment in tariff for the **January-March 2023** quarter on account of US CPI, CPI (General), Exchange Rate and KIBOR variation in respect of Engro Powergen Qadirpur Ltd. in Case No. NEPRA/TRF-72/EPQL-2007.

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)
Government of Pakistan
'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. Chief Executive Officer, Engro Powergen Qadirpur Limited, 7th Floor, The Harbour Building, HC#3, Marine Drive, Block 4, Clifton, Karachi

**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/
ADJUSTMENT OF TARIFF FOR ENGRO POWERGEN QADIRPUR LIMITED FOR
JANUARY TO MARCH 2023 QUARTER.**

Pursuant to the Decision of the Authority dated April 1, 2011 in the matter of Motion for Leave Review against Decision for tariff adjustments on gas operations at Commercial Operation Date, Corrigendum dated May 14, 2012, decision of the Authority dated December 20, 2012 in the matter of change of index from WPI (Manufacture) to CPI (General), Decision of the Authority dated September 17, 2013 in the matter of tariff adjustments on High Speed Diesel and mixed fuel regarding Engro Powergen Qadirpur Limited (EPQL), formerly Engro Energy Limited, Decision of the Authority dated June 9, 2016 and Decision of the Authority dated April 2, 2021 in the matter of application filed by CPPA-G for adjustment of ROE and ROEDC components of tariff pursuant to the agreement with EPQL, the relevant tariff components of EPQL in respect of January to March 2023 quarter have been revised on account of US CPI, CPI (General), Exchange Rate and KIBOR variation in accordance with the requisite indexation/adjustment mechanism stipulated in the decisions of the Authority. The revised tariff indicated hereunder shall be immediately applicable:

Tariff Components	Reference Apr 1, 2011, Dec 20, 2012 & Apr 2, 2021		Revised Jan to Mar 2023 Quarter	
	GAS	HSD	GAS	HSD
Capacity Charge (Rs./kW/Hour)				
Fixed O&M - Foreign	0.0096	0.0098	0.0355	0.0363
Fixed O&M - Local	0.1796	0.1833	0.3126	0.3190
Cost of Working Capital	0.0537	0.0549	0.0713	0.0728
ROE	0.6849	0.6992	0.6849	0.6992
ROEDC	0.2430	0.2480	0.2430	0.2480
Total	1.1708	1.1952	1.3473	1.3753
Variable O&M (Rs./kWh)				
Variable O&M - Foreign	0.1917	0.1957	0.7096	0.7244
Variable O&M - Local	0.0501	0.0511	0.0872	0.0889
Total	0.2418	0.2468	0.7968	0.8133

The above referred revised tariff components attached as **Annex-I** are to be notified in the official gazette in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

AUTHORITY

Mathar Niaz Rana

Mathar Niaz Rana (nsc)
Member

Engr. Maqsood Anwar Khan

Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh

Engr. Rafique Ahmed Shaikh
Member

Tauseef H. Farooqi
Chairman



10/02/23

ENGRO POWERGEN QADIRPUR LIMITED
(Formerly Engro Energy Limited)
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference Apr 1, 2011, Dec 20, 2012 & Apr 2, 2021		Revised Jan to Mar 2023 Quarter		Indexation
	GAS	HSD	GAS	HSD	
Capacity Charge (Rs./kW/h)					
Fixed O&M - Foreign	0.0096	0.0098	0.0355	0.0363	US CPI & Rs./US\$
Fixed O&M - Local	0.1796	0.1833	0.3126	0.3190	CPI Local
Cost of Working Capital	0.0537	0.0549	0.0713	0.0728	KIBOR
ROE	0.6849	0.6992	0.6849	0.6992	-
ROEDC	0.2430	0.2480	0.2430	0.2480	-
Total	1.1708	1.1952	1.3473	1.3753	
Variable O&M (Rs./kWh)					
Variable O&M - Foreign	0.1917	0.1957	0.7096	0.7244	US CPI & Rs./US\$
Variable O&M - Local	0.0501	0.0511	0.0872	0.0889	CPI Local
Total	0.2418	0.2468	0.7968	0.8133	
Indexation Values:					Source
Exchange Rate (Rs./USD)	84.200	84.200	226.900	226.900	NBP - Revised rate of Dec 30, 2022
US CPI (All Urban Consumers)	216.741	216.741	297.711	297.711	U.S. Bureau of Labor Statistics - Revised value of Nov 2022
CPI (General) - Local	154.720	154.720	269.270	269.270	Pakistan Bureau of Statistics - Revised value of Jun 2020
3 Monthly KIBOR	12.36%	12.36%	17.00%	17.00%	SBP - Revised rate of Dec 30, 2022
Hours in the quarter			2,160	2,160	

- For the purpose of indexation of Local O&M components for Jan-Mar 2023 quarter, CPI for Nov 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. As per relevant provision of the PPA, 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 decision of new reference index value by the Authority.

- The Authority vide its decision dated March 10, 2021 replaced CPI Base Year 2007-08 with N-CPI Base Year 2015-16. The decision shall be implemented upon Notification in the Official Gazette.

- Based on the data declared by Engro Powergen Qadirpur Limited.

