



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-100/Laraib-2009/43247-43249

December 24, 2021

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for Laraib Energy Limited (Case No. NEPRA/TRF-100/2009)**

Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised tariff components (Annex-I) (02 pages) regarding quarterly indexation/adjustment of tariff of Laraib Energy Limited for the quarter **July – September 2021** on account of KIBOR/LIBOR, US CPI, CPI (General) and Exchange Rate in Case No. NEPRA/TRF-100/2009.

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 revised tariff components attached as Annex-I are to be notified in the official Gazette.

Enclosure: As above

( Iftikhar Ali Khan )

Secretary,  
Ministry of Energy (Power Division),  
Government of Pakistan  
'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 LARAIB ENERGY LIMITED**

1. Pursuant to the Decisions of the Authority dated 14<sup>th</sup> April 2016 in the matter of tariff adjustment at Commercial Operation Date (COD) notified vide S.R.O No 585(1)/2016 dated 28<sup>th</sup> June 2016, Motion for Recalculation dated 26<sup>th</sup> May 2016 and Motion for Leave for Review filed by Laraib Energy Limited (LEL) against the Decision of the Authority at COD dated June 30<sup>th</sup> 2016, the tariff components of LEL on account of KIBOR/LIBOR, US CPI, CPI (General) & Exchange rate for the quarter July to September 2021 are required to be revised in accordance with requisite indexation/adjustment mechanism stipulated in the decisions of the Authority.
2. The tariff components for the quarter July to September 2021, excluding O&M components, have been indexed, as per the request of Central Power Purchasing Agency Guarantee Limited (CPPA-G), which had not sought O&M components indexation till the negotiation on the issue of savings due to change in O&M operator. The reference O&M components have been allowed provisionally till the conclusion of negotiations between CPPA-G and LEL.
3. While considering the request of CPPA-G, the Authority also consider it prudent to direct CPPA-G to conclude the negotiation with LEL at the earliest and accordingly revise the Power Purchase Agreement (PPA) and submit the same for the approval of the Authority.
4. Based on the above the revised tariff components attached as **Annex-I** is to be notified in the official gazette, in terms of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.
5. CPPA-G to ensure that all payments are consistent with the tariff determination(s).

**Authority**

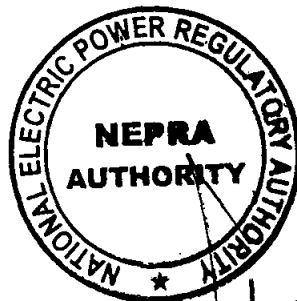


Rehmatullah Baloch  
Member



Engr. Rafique Ahmad Shaik  
Member

Engr. Maqsood Anwar Khan  
Member



Tauseef H. Farooqi  
Chairman

24/12/21

Laraib Energy Limited Adjustment on Account of Quarterly Indexation		
Tariff Components	Reference	July-Sep 2021
	Rs./KWh	Rs./KWh
Return on Equity	1.9113	3.0833
Return on Equity during Construction	1.2254	1.9768
Special Return on Equity	0.4237	0.6835
Debt Service-Foreign*	3.6624	4.5951
Debt Service-Local*	1.5454	0.8151
Water usage charges**	0.2657	0.4124
Variable O & M Local	0.0441	0.0441
Fixed O & M Local	0.5786	0.5786
Fixed O & M Foreign	0.4410	0.4410
<b>Total</b>	<b>10.0976</b>	<b>12.6299</b>
<b>Indexation Values</b>		
6 Monthly KIBOR	9.57%	7.6900%
6 Monthly LIBOR	0.4479%	0.1595%
Exchange Rate Quarterly	96.13	155.08
Exchange Rate Semi Annual (for debt servicing only)	96.13	157.02
CPI General	172.78	268.21
US CPI	230.38	269.315

**NOTE:-**

\*Debt servicing component indexed shall remain valid for the period July 01 to December 31, 2021

\*\*For the purpose of indexation of WUC components for July-Sept 2021 quarter, CPIs of the last quarter i.e. April, May, June 2021 were 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 CPIs of April, May & June 2020 for base year 2007-08 has been used for the instant indexation/adjustment. The indexation WUC components are being made on provisional basis, subject to revision upon decision of new reference index value by the Authority.

