



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-100/Laraib-2009/13447-13449
March 10, 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 **January – March 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


10 03 21
(Syed Safeer Hussain)

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**

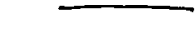
Pursuant to the Decisions of the Authority dated 14th April, 2016 in the matter of tariff adjustment at Commercial Operation Date (COD) notified vide S.R.O No 585(1)/2016 dated 28th June 2016, Motion for Recalculation dated 26th May 2016 and Motion for Leave for Review filed by LEL against the Decision of the Authority at COD dated June 30th 2016, the tariff components of Laraib Energy Limited on account of KIBOR/LIBOR, US CPI, CPI (General) & Exchange rate for the quarter ending January to March 2021 have been revised in accordance with requisite indexation/adjustment mechanism stipulated in the decisions of the Authority as indicated in Annex-I.

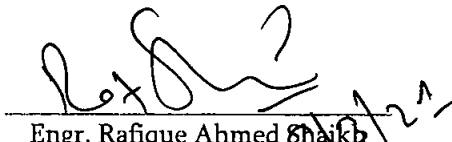
2. The above referred revised tariff components attached as **Annex-I** is to be notified in the official gazette, in terms of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

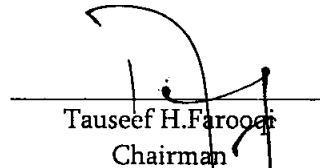
3. CPPA(G) to ensure that all payments are consistent with the tariff determination(s).

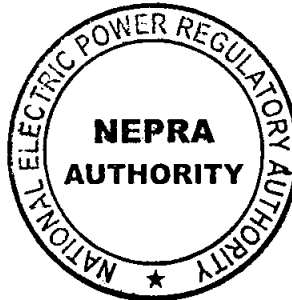
Authority



Saif Ullah Chattha
Member
5.3.2021


Rehmatullah Baloch
Member


Engr. Rafique Ahmed Shaikh
Member


Tauseef H. Farooqi
Chairman




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Laraib Energy Limited Adjustment on Account of Quarterly Indexation		
Tariff Components	Reference	Jan-Mar 2021
	Rs./KWh	Rs./KWh
Return on Equity	1.9113	3.2044
Return on Equity during Construction	1.2254	2.0544
Special Return on Equity	0.4237	0.7103
Debt Service-Foreign*	3.6624	4.3934
Debt Service-Local*	1.5454	0.7617
Water usage charges	0.2657	0.4124
Variable O & M Local	0.0441	0.0685
Fixed O & M Local	0.5786	0.8982
Fixed O & M Foreign	0.4410	0.8356
Total	10.0976	13.3389
Indexation Values		
6 Monthly KIBOR	9.57%	7.3500%
6 Monthly LIBOR	0.4479%	0.2576%
Exchange Rate Quarterly	96.13	161.17
Exchange Rate Semi Annual (for debt servicing only)	96.13	164.45
CPI General	172.78	268.21
US CPI	230.38	260.364

NOTE:-

* Insurance component of capacity charge is not part of quarterly indexation. It is adjusted annually on actual basis as per mechanism stipulated in the decision of the Authority.

*Debt servicing component indexed shall remain valid for the period Jan 01 to June 30, 2021

* For the purpose of indexation of Local O&M and WUC components for Jan-March 2021 quarter, CPIs of the last quarter i.e. Oct, Nov, Dec 2020 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 of Local O&M and WUC components are being made on provisional basis, subject to revision upon decision of new reference index value by the Authority.

