



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad
Ph: +92-51-9206500, Fax: +92-51-2600026
Web: www.nepa.org.pk, E-mail: registrar@nepa.org.pk

No. NEPRA/R/ADG(Trf)/TRF-100/Laraib-2009/2239-43
July 7, 2022

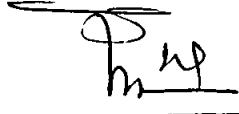
Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for Laraib Energy Limited (Case No. NEPRA/TRF-100/2009)**

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 2022** on account of KIBOR/LIBOR, US CPI, CPI (General) and Exchange Rate in Case No. NEPRA/TRF-100/2009.

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


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(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.
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
4. Chief Executive, Laraib Energy Ltd., Office No. 12, 2nd Floor, Executive Complex, G-8 Markaz, Islamabad Tele: 051 – 2255 431 – 32

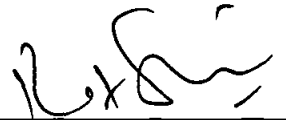
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY
INDEXATION/ADJUSTMENT OF TARIFF FOR LARAIB ENERGY LIMITED**

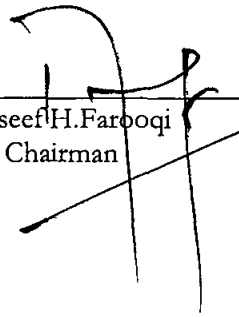
Pursuant to the Decisions of the Authority dated 14th April, 2016 in the matter of tariff adjustment at Commercial Operation Date (COD) notified vide S.R.O No 585(1)/2016 dated 28th June 2016, Motion for Recalculation dated 26th May 2016 and Motion for Leave for Review filed by LEL against the Decision 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 01, 2022 to March 31, 2022 have been revised in accordance with requisite indexation/adjustment mechanism stipulated in the decisions of the Authority as indicated in Annex-I.

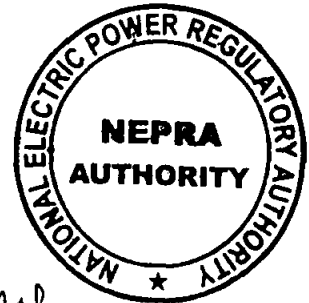
2. The above referred revised tariff components attached as **Annex-I** is to be notified in the official gazette, in terms of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.
3. CPPA(G) to ensure that all payments are consistent with the tariff determination(s).

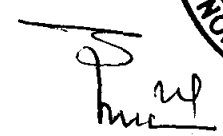
Authority


Engr. Maqsood Anwar Khan
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 2022
	Rs./KWh	Rs./KWh
Return on Equity	1.9113	3.4778
Return on Equity during Construction	1.2254	2.2297
Special Return on Equity	0.4237	0.7710
Debt Service-Foreign**	3.6624	4.3540
Debt Service-Local*		1.4834
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	0.9675
Total	8.5522	14.6625
Indexation Values		
6 Monthly KIBOR	9.57%	9.57%
6 Monthly LIBOR	0.4479%	0.3388%
Exchange Rate Quarterly	96.13	174.92
Exchange Rate Semi Annual (for Foreign debt servicing only)	96.13	169.92
CPI General	172.78	268.21
US CPI	230.38	277.780

NOTE:-

*Revised Local Debt Servicing Component has been computed based on the para 2.4 of the Authority's Decision dated January 06, 2021. The unrecovered debt servicing component is Rs. 1.4834/KWh which pertains to January 01, 2013 to March 22, 2013 period and shall be recovered in the period January 1, 2022 to March 22, 2022, beyond which this component of Rs. 1.4834/KWh will cease to exist.

**Foreign Debt servicing component indexed shall remain valid for the period Jan 01 to June 30, 2022.

For the purpose of indexation of Local O&M and WUC components for Jan-March 2022 quarter, CPIs of the last quarter i.e. Oct, Nov, Dec 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 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.

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.

