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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/DG(Trf)/TRF-70/NCPL-2007/ 20574-78

August 04, 2023

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for Nishat Chunian Power Ltd. for July to September 2023 Quarter (Case No. NEPRA/TRF-70/NCPL-2007)**

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 Nishat Chunian Power Ltd. for the **July to September 2023** quarter on account of US CPI, CPI (General) Local, Exchange Rate and KIBOR variation in Case No. NEPRA/TRF-70/NCPL-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, Nishat Chunian Power Limited (NCPL), 31-Q, Gulberg-II, Lahore [Ph: 042 - 35761730]

DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ADJUSTMENT OF TARIFF FOR NISHAT CHUNIAN POWER LIMITED FOR JULY TO SEPTEMBER 2023 QUARTER.

Pursuant to the decision of the Authority dated December 31, 2010 in the matter of adjustment at Commercial Operation Date (COD), decision of the Authority dated December 20, 2012 regarding change of index in case of Nishat Chunian Power Limited (NCPL) 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 NCPL, the tariff of NCPL in respect of July to September 2023 quarter has been revised on account of US CPI, CPI (General) Local, Exchange Rate and KIBOR variation in accordance with the requisite indexation/adjustment mechanisms stipulated in the above referred decisions of the Authority. The revised tariff indicated hereunder shall be immediately applicable:

Tariff Components	Reference Dec 31, 2010, Dec 20, 2012 & Apr 2, 2021	Revised Jul-Sep 2023 Quarter
Capacity Charge (Rs./kW/Hour)		
Fixed O&M - Foreign	0.1019	0.4764
Fixed O&M - Local	0.1186	0.2064
Cost of Working Capital	0.1909	0.3316
ROE	0.6968	0.6968
ROEDC	0.1284	0.1284
Total	1.2366	1.8396
Variable O&M (Rs./kWh)		
Variable O&M - Foreign	0.5182	2.4227
Variable O&M - Local	0.1630	0.2837
Total	0.6812	2.7064

The above adjustment of tariff shall be subject to the outcome of pending inquiry/court proceedings.

The above referred revised tariff components attached as **Annex-I** are 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.

CPPPA (G) to ensure that all payments are consistent with tariff determination.

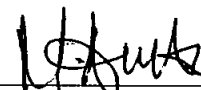
AUTHORITY



Mathar Niaz Rana (nsc)
Member


20/9/23

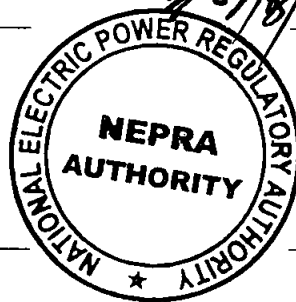
Engr. Maqsood Anwar Khan
Member



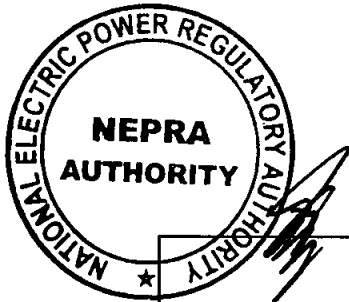
Amina Ahmed
Member



Engr. Rafique Ahmed Shaikh
Member



Tauseef H. Farooqi
Chairman



NISHAT CHUNIAN POWER LIMITED
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference Dec 31, 2010, Dec 20, 2012 & Apr 2, 2021	Revised Jul-Sep 2023 Quarter	Indexation
Capacity Charge (Rs./kW/Hour)			
Fixed O&M - Foreign	0.1019	0.4764	US CPI & Rs./US\$
Fixed O&M - Local	0.1186	0.2064	CPI Local
Cost of Working Capital	0.1909	0.3316	KIBOR
ROE	0.6968	0.6968	-
ROEDC	0.1284	0.1284	-
Total	1.2366	1.8396	
Variable O&M (Rs./kWh)			
Variable O&M - Foreign	0.5182	2.4227	US CPI & Rs./US\$
Variable O&M - Local	0.1630	0.2837	CPI Local
Total	0.6812	2.7064	
Indexation Values			Source
Exchange Rate (Rs./USD)	85.600	287.100	NBP - Revised rate of June 27, 2023
US CPI (All Urban Consumers)	218.178	304.127	U.S. Bureau of Labor Statistics - Revised value of May 2023
CPI (General) - Local	154.720	269.270	Pakistan Bureau of Statistics - Revised value of Jun 2020
3 Monthly KIBOR	12.29%	22.91%	SBP - Revised rate of June 27, 2023
Hours in the quarter	-	2,208	

- For the purpose of indexation of Local O&M components for Jul-Sep 2023 quarter, CPI for May 2023 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.

- The above adjustment of tariff shall be subject to the outcome of pending inquiry/court proceedings.

- Based on the data declared by Nishat Chunian Power Limited.

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