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National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/DG(Trf)/TRF-124/OPCL-2009/20568-72

August 04, 2023

Subject: **Decision of the Authority in the Matter of Quarterly Indexation/Adjustment of Tariff for Orient Power Company (Pvt.) Ltd. for July to September 2023 Quarter (Case No. NEPRA/TRF-124/OPCL-2009(2))**

Dear Sir,

Please find enclosed herewith the subject decision of the Authority along with revised tariff components (**Annex-I**) (02 pages) regarding indexation/adjustment of tariff for **July to September 2023** quarter on account of US CPI, CPI (Local), Exchange Rate and KIBOR variation in respect of Orient Power Company (Pvt.) Ltd. in Case No. NEPRA/TRF-124/OPCL-2009(2).

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.

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, Orient Power Company (Pvt.) Ltd., 10-Ali Block, New Garden Town, Lahore.

**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/
ADJUSTMENT OF TARIFF FOR ORIENT POWER COMPANY (PRIVATE) LIMITED FOR
JULY TO SEPTEMBER 2023 QUARTER.**

Pursuant to the decision of the Authority dated January 12, 2012 in the matter of Motion for Leave for Review filed against the decision of the Authority at Commercial Operation Date (COD), decision of the Authority dated December 21, 2012 regarding change of index in the case of Orient Power Company (Private) Limited (OPCL) 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 OPCL, the tariff of OPCL in respect of July to September 2023 quarter has been revised on account of US CPI, CPI (Local), Exchange Rate and KIBOR variation in accordance with the requisite indexation/adjustment mechanism stipulated in the decision of the Authority. The revised tariff indicated hereunder shall be immediately applicable:

Tariff Components	Reference Jan 12, 2012, Dec 21, 2012 & Apr 2, 2021	Revised Jul-Sep 2023 Quarter
Capacity Charge(Rs./kW/Hour)		
Fixed O&M - Local	0.1336	0.2325
Fixed O&M - Foreign	0.1065	0.5431
Cost of Working Capital - Gas	0.0473	0.0763
Cost of Working Capital - HSD	0.1013	0.1635
ROE - Local	0.2388	0.2388
ROE - Foreign	0.2254	0.8039
ROEDC - Local	0.0469	0.0469
ROEDC - Foreign	0.0476	0.1698
Total (Gas)	0.8461	2.1113
Total (HSD)	0.9001	2.1985
Variable O&M (Rs./kWh)		
Variable O&M - Gas (Foreign)	0.1459	0.7440
Variable O&M - HSD (Foreign)	0.2392	1.2197

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.

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

AUTHORITY

Mathar Niaz Rana

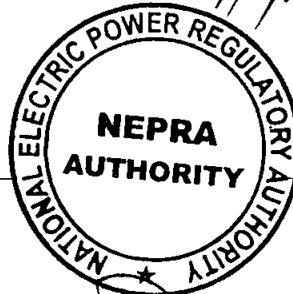
Mathar Niaz Rana (nsc)
Member

Engr. Maqsood Anwar Khan
4/8/23

Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh

Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed

Amina Ahmed
Member

Tauseef H. Farooqi
Chairman



Orient Power Company (Private) Limited
Adjustment on account of Quarterly Indexation

Tariff Components	Reference Jan 12, 2012, Dec 21, 2012 & Apr 2, 2021	Revised Jul-Sep 2023 Quarter	Indexation
Capacity Charge(Rs./kW/Hour)			
Fixed O&M - Local	0.1336	0.2325	CPI Local
Fixed O&M - Foreign	0.1065	0.5431	US CPI & Rs./US\$
Cost of Working Capital - Gas	0.0473	0.0763	KIBOR
Cost of Working Capital - HSD	0.1013	0.1635	KIBOR
ROE - Local	0.2388	0.2388	-
ROE - Foreign	0.2254	0.8039	Rs./US\$
ROEDC - Local	0.0469	0.0469	-
ROEDC - Foreign	0.0476	0.1698	Rs./US\$
Total (Gas)	0.8461	2.1113	
Total (HSD)	0.9001	2.1985	
Variable O&M (Rs./kWh)			
Variable O&M - Gas (Foreign)	0.1459	0.7440	US CPI & Rs./US\$
Variable O&M - HSD (Foreign)	0.2392	1.2197	US CPI & Rs./US\$
Indexation Values			Source
CPI (General)	154.720	269.270	Pakistan Bureau of Statistics - Revised value of Jun 2020
US CPI	212.709	304.127	U.S. Bureau of Labor Statistics - Revised value of May 2023
Exchange Rate	80.500	287.100	NBP - Revised rate of June 27, 2023
KIBOR	13.39%	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.

- Based on the data declared by Orient Power Company (Private) Limited.

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