



**Registrar**

# **National Electric Power Regulatory Authority**

## **Islamic Republic of Pakistan**

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad.  
Tel: +92-51-9206500, Fax: +92-51-2600026  
Web: [www.nepra.org.pk](http://www.nepra.org.pk), E-mail: [registrar@nepra.org.pk](mailto:registrar@nepra.org.pk)

No. NEPRA/R/ADG(Trf)/TRF-408/PTPL-2017/38129-33

December 13, 2023

**Subject: Decision of the Authority in the matter of Quarterly Indexation of Punjab Thermal Power (Private) Limited for the Quarters April-June 2023, July-September 2023 and October-December 2023(Case No. NEPRA/TRF-408/PTPL-2017)**

Dear Sir,

Please find enclosed herewith the subject decision of the Authority along with **Annex-I** (total 04 pages) regarding quarterly indexation of Punjab Thermal Power (Private) Limited for the Quarters **April-June 2023, July-September 2023 and October-December 2023** on account of Local CPI, US CPI, Exchange Rate and KIBOR variation in Case No. NEPRA/TRF-408/PTPL-2017.

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 Officer, Punjab Thermal Power (Private) Limited.  
1<sup>st</sup> Floor, 7-C-1, Gulberg III, Lahore



**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION OF  
PUNJAB THERMAL POWER (PRIVATE) LIMITED FOR THE QUARTERS APR-JUNE  
2023, JUL-SEP 2023 AND OCT-DEC 2023**

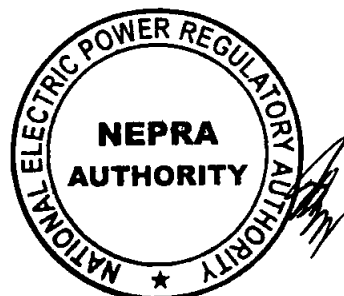
1. Punjab Thermal Power (Private) Limited (hereinafter "PTPL") vide letter dated July 26, 2023, subsequent correspondence letter dated August 08, 2023 and September 22, 2023 requested the Authority for indexation on reference generation tariff determined by NEPRA dated December 26, 2017 modified through decision dated June 07, 2018 and February 24, 2021. PTPL submitted that Commercial Operations Date (COD) on single fuel i.e. RLNG has been achieved on June 23, 2023. In support of its claim, PTPL submitted the copy of CPPA-G letter dated August 24, 2023.
2. PTPL further submitted that the process of preparing tariff true-up request along with compiling of supporting documents has already been initiated, however due to prolonged construction period, unusual project circumstances, EPC claims/disputes, verification process, remaining tests on backup fuel will take considerable time. PTPL requested the Authority for interim relief through quarterly indexation of relevant reference tariff components from COD in accordance with the indexation/adjustment mechanism already approved by the Authority, considering the significant liquidity issues being faced by the company.
3. The Authority considered the request of PTPL and observed that the clarification in the matter needs to be solicited from CPPA-G on the subject matter. Accordingly CPPA-G was directed to submit detail response. CPPA-G vide letter dated November 16, 2023 submitted that:

"....ECC of the Cabinet vide Case No. ECC-266/33/2023 dated 24-07-2023 and ratified by Federal Cabinet dated 26-07-2023 regarding approval of the commissioning of 1263 MW Punjab Thermal Power (Pvt.) Limited, Jhang has approved the following with the direction that this exception / dispensation of deferral commissioning test on HSD fuel shall be for four months only."

- i) Deferral of performance tests on HSD as requested by Government of Punjab and declaration of Commercial Operation Date (COD) of Punjab Thermal Power (Pvt.) Limited on RLNG upon successful completion of Commissioning Test testing on RLNG; and
- ii) In the event of non-availability of RLNG fuel, PTPL shall be treated on Forced – Outages under the PPA till the successful testing of the complex on HSD fuel.

Since the performance test on HSD could not be performed within the deferral period allowed by ECC, hence, the Government of Punjab vide letter dated 17.10.2023 has sought extension of the same from the ECC of the Cabinet. Therefore, CPPA-G's further line of action is contingent upon the decision / directions from the ECC.

4. Notwithstanding with the above, interim relief sought by the project company may be considered by the Authority as deemed appropriate under relevant Rules & Regulations.
5. The Authority considered the response of CPPA-G and observed that COD on single fuel i.e. RLNG has been declared by the CPPA-G vide letter dated June 22, 2023. The Authority considers that





based on the summary moved by Ministry of Energy, the test on HSD has been deferred by the ECC for four months and further extension in the matter has been sought by the Project company as conveyed by CPPA-G.

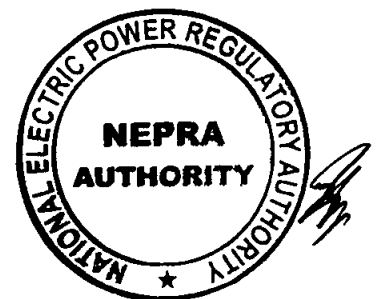
6. The Authority noted that PTPL being efficient power plant is in the top positions in the Economic Merit Order. As informed and explained by the management of the Company, PTPL is facing serious liquidity issues and may face default in payments due in December, 2023 and possible plant closure if the Interim Relief is not granted which may trigger uninvited consequences for the power sector.
7. The Authority is also of the view that contractual obligations for performing of HSD test is the responsibility of the CPPA-G being power purchaser which needs to be decided by the CPPA-G/ECC. Due to special financial situations of the plant the Federal Government has deferred tests for HSD and relaxed this requirement of COD and decided that in the event of non-availability of RLNG fuel, PTPL is treated on Forced – Outages under the PPA till the successful testing of the complex on HSD fuel therefore the end-consumer is protected from undue burden of capacity charges. The CPPAG has declared COD accordingly on June 23, 2023.
8. In view thereof the Authority has decided to grant interim relief to PTPL on provisional basis subject to COD true-up/adjustment decision of the Authority. In case of non-filing of the subject request the matter will be dealt in accordance with the NEPRA Rules & Regulations.

#### Order

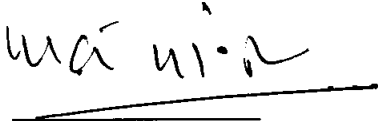
9. The Authority in its collective and joint wisdom decided with consensus as under, which will be hereinafter referred as decision of the Authority in the matter;

“Punjab Thermal Power (Private) Company Limited (PTPL) is hereby granted interim relief on provisional basis in terms of Rule 4(7) of NEPRA Tariff Standards & Procedure Rules - 1998 on indexation of reference generation tariff dated December 26, 2017 modified through decision dated June 07, 2018 and February 24, 2021 w.e.f COD date i.e. June 23, 2023 subject to final decision of COD true-up/adjustment of the Authority. Indexation/adjustment for the quarters Apr-Jun 2023 to Oct-Dec, 2023 have been made in the tariff components on account of US CPI, N-CPI (Local), exchange rate (PKR/USD) and KIBOR variations in accordance with the requisite indexation/adjustment mechanism stipulated in the decision(s) of the Authority.”


10. The Authority keeping in view the peculiar conditions of PTPL required for filing of COD request of 10-12 months has decided to allow the Company to file the request not later than June 30, 2024.
11. 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.





12. CPPA-G to ensure that all the payments are consistent with tariff determination.

  
Mathar Niaz Rana (nsc)  
Member

  
Engr. Maqsood Anwar Khan  
Member

  
Engr. Rafique Ahmed Shaikh  
Member

  
Amina Ahmed  
Member

  
Waseem Mukhtar  
Chairman



**Punjab Thermal Power (Pvt.) Limited**  
**Quarterly Indexation/Adjustment of Tariff**

Tariff Components	Ref Values	Indexed Values			Indexation Parameters
		Apr-Jun2023	Jul-Sep 2023	Oct-Dec 2023	
	Rs./kWh				
Variable O&M Foreign	0.3079	0.9702	0.9911	1.0075	US CPI & Rs./US\$
Capacity Component	Rs./kW/h				
Fixed O&M (Local)	0.0631	0.1252	0.1351	0.1418	N-CPI
Fixed O&M (Foreign)	0.1041	0.3280	0.3351	0.3406	US CPI & Rs./US\$
Cost of working capital	0.0922	0.8223	0.8762	0.8533	KIBOR & Fuel Prices
ROE	0.2562	0.6623	0.6693	0.6740	Rs./US\$
Insurance	0.0531	0.0531	0.0531	0.0531	-
Principal Repayment	0.3557	-	0.3557	0.3557	-
Interest Charges	0.4555	-	1.3500	1.3500	KIBOR
Total Capacity Charge	1.3799	1.9909	3.7745	3.7686	
TOTAL	1.6878	2.9611	4.7657	4.7761	
Indexation Values					
Exchange Rate (Rs./USD)	109.9	284.10	287.1	289.1	NBP
US CPI (all urban consumer)	246.819	300.840	304.127	307.026	US Bureau of Labor Statistics
CPI General (Sep 2017)	217.98				Pakistan Bureau of Statistics
CPI General (May 2020)	268.25				
NCPI (May 2020)	131.01				
NCPI (Feb 2023)	211.28				
NCPI (May 2023)	227.96				
NCPI (Aug 2023)	239.27				
KIBOR	30-6-17	30-12-22	27-06-23	28-09-23	SBP
3 Months	6.14%	17.00%	22.91%	22.66%	
6 Months	6.15%	17.04%	22.97%	22.95%	
RLNG Price (Rs./MMBtu)	906.28	3,361.81	3,474.38	3,406.61	
Outstanding Principal: Period 1 (Semi annual)	Rs. 58,337.00 million				

- Debt servicing components shall be applicable w.e.f 1<sup>st</sup> July 2023.
- Based on the data declared by Punjab Thermal Power Private Limited.
- Indexation allowed to PTPL is purely on provisional basis till finalization of its COD tariff by the Authority and shall be subject to adjustment /refund, if necessary, in the light of final decision of the Authority.

