



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-408/PTPL-2017/ 15200-204

October 01, 2024

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment on Combined Cycle Operations for July-September 2024 Quarter for Punjab Thermal Power (Private) Limited**

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority along with **Annex-I** and Decision of Mr. Mathar Niaz Rana (nsc), Member (Tariff) (total 04 pages) regarding the quarterly indexation of Punjab Thermal Power (Private) Limited for the Quarter of **July-September 2024** on account of US CPI, N-CPI (Local), 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 under Proviso (ii) of Section 31(7) of the NEPRA Act, before its notification by NEPRA pursuant to the said Proviso of Section 31(7) of NEPRA Act, 1997.

Enclosure: **As above**

Wasim Anwar Bhinder
(Wasim Anwar Bhinder)

Secretary,
Ministry of Energy (Power Division),
'A' Block, Pak Secretariat,
Islamabad.

Copy to:

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. 1st Floor, 7-C-1, Gulberg III, Lahore.

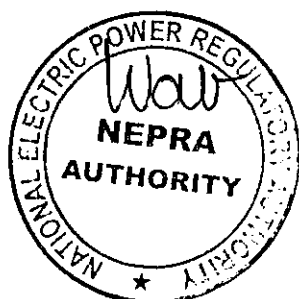


DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ADJUSTMENT ON COMBINED CYCLE OPERATIONS FOR JULY TO SEPTEMBER 2024 QUARTER FOR PUNJAB THERMAL POWER (PRIVATE) LIMITED.

1. Pursuant to the Authority's decision dated December 26, 2017 in the matter of tariff petition filed by Punjab Thermal Power (Private) Limited (hereinafter "PTPL"), decision dated June 7, 2018 notified vide S.R.O. No. 1059(I0/2018 on August 27, 2018 in the matter of Motion for Leave for Review of PTPL, decision dated February 24, 2021 in the matter of petition for revision of tariff determination for reduction of return on equity component and the decision of the Authority dated March 10, 2021 notified vide S.R.O. No. 1041(I)/2023 on August 09, 2023 in the matter of change of base year 2007-2008 to base year 2015-16 for Consumer Price Index (CPI) for indexation of fixed and variable O&M (Local) components, the relevant tariff components are required to be adjusted on account of US CPI, N-CPI (Local), Exchange Rate and KIBOR variation.
2. PTPL vide letter dated July 26, 2023 requested 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. Accordingly, after considering all aspects, the Authority vide its decision dated December 13, 2023 granted interim relief through indexation and directed PTPL to file COD true-up request not later than June 30, 2024.
4. PTPL vide letter dated July 1, 2024 submitted quarterly indexation/adjustment request for July-September 2024 quarter. However, PTPL did not submit COD tariff true-up request, in compliance to the direction of the Authority.
5. Keeping in view the peculiar nature of the case, the Authority has decided to allow quarterly indexation/adjustment for the July-September 2024 quarter. However, no further indexation / adjustment request shall be entertained until the submission of COD true-up application.
6. The Authority in its collective and joint wisdom considering all aspects decided with consensus as under; which shall be hereafter called as decision of Authority in the matter:-

"Indexation/adjustment for July to September 2024 quarter has been made in the tariff components in accordance with the requisite indexation/adjustment mechanism stipulated in the decision(s) of the Authority. The revised tariff on combined cycle operations indicated hereunder shall be immediately applicable:

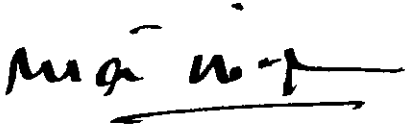
Tariff Components	Reference Jun 7, 2018, Feb 24, 2021 & Mar 10, 2021	Revised (RLNG) Jul-Sep 2024 Quarter
Capacity Charge (Rs./kW/h)		
Fixed O&M - Foreign	0.1041	0.3360
Fixed O&M - Local	0.0631	0.1510
Cost of Working Capital	0.0922	0.8161
ROE	0.2562	0.6499
Principal Repayment	0.3870	0.3870
Interest Charges	0.4241	1.1188
Total	1.3267	3.4588
Energy Charge (Rs./kWh)		
Variable O&M - Foreign	0.3079	0.9939
Total	0.3079	0.9939

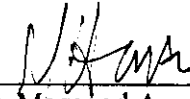


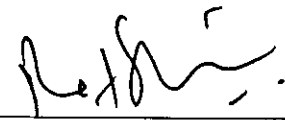
049

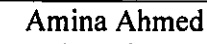
7. Indexation allowed to PTPL is purely on provisional basis and shall be subject to adjustment/refund, if necessary, in the light of COD tariff true-up decision.
8. The above decision of the Authority along with revised fuel cost components attached as **Annex-I** are to be notified in the official gazette in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.


AUTHORITY

* 
Mathar Niaz Rana (nsc)
Member

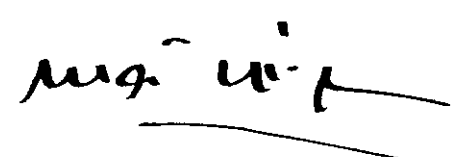

Engr. Maqsood Anwar Khan
Member


Engr. Rafique Ahmed Shaikh
Member


Amina Ahmed
Member


Waseem Mukhtar
Chairman

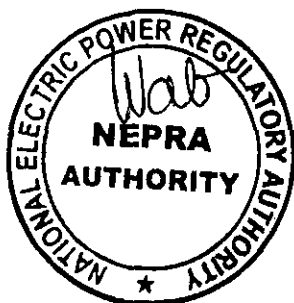


* My decision is attached

2/4

Punjab Thermal Power (Pvt.) Limited
Adjustment on Account of Quarterly Indexation

Tariff Components	Reference Jun 7, 2018, Feb 24, 2021 & Mar 10, 2021	Revised (RLNG) Jul-Sep 2024 Quarter	Indexation
Capacity Charge (Rs./kW/h)			
Fixed O&M - Foreign	0.1041	0.3360	US CPI & Rs./US\$
Fixed O&M - Local	0.0631	0.1510	N-CPI Local
Cost of Working Capital	0.0922	0.8161	KIBOR & Fuel Price
ROE	0.2562	0.6499	Rs./US\$
Principal Repayment	0.3870	0.3870	-
Interest Charges	0.4241	1.1188	KIBOR
Total	1.3267	3.4588	
Energy Charge (Rs./kWh)			
Variable O&M - Foreign	0.3079	0.9939	US CPI & Rs./US\$
Total	0.3079	0.9939	
Indexation Values			Source
CPI (General)	217.98	-	Pakistan Bureau of Statistics - Revised value of Sep 2017
CPI (General)	268.25	-	Pakistan Bureau of Statistics - Revised value of May 2020
N-CPI (Local)	131.01	254.78	Pakistan Bureau of Statistics - Revised value of May 2024
US CPI (All Urban Consumer)	246.819	314.07	U.S. Bureau of Labor Statistics - Revised value of May 2024
Exchange Rate	109.90	278.80	NBP - Revised rate of Jun 28, 2024
3 Monthly KIBOR	6.14%	20.24%	SBP - Revised rate of Jun 28, 2024
6 Monthly KIBOR	6.15%	20.14%	SBP - Revised rate of Jun 28, 2024
Fuel Price (Rs./MMBTU)	906.28	3,937.29	Weighted Average Price of RLNG Consumed during Apr-Jun 2024
Principal Outstanding (Rs. Million)	58,337.00	54,465.36	
Hours in period (Semi Annual)	-	4,416	

- Based on the data declared by Punjab Thermal Power (Pvt.) Limited.



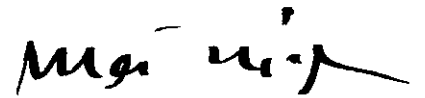
DECISION OF MEMBER TARIFF

Quarterly Indexation/Adjustment on Combined Cycle Operations for July to September 2024 Quarter for Punjab Thermal Power (Private) Limited

The decision of the Authority dated November 15, 2023, was based on the consideration that PTPL is an efficient power plant with a higher ranking in the Economic Merit Order. During the proceedings, the management of the Company explained that PTPL is facing significant liquidity challenges, which may lead to a default in payments due in December 2023 and a potential plant closure if interim relief is not granted. This situation could have serious implications for the power sector.

Interim relief was granted under these considerations, without the submission of the COD application, with explicit instructions to file the application by June 30, 2024. Unfortunately, the Company has not adhered to this timeline and is now requesting an extension of the relief.

In light of this, I find no justification for extending the relief beyond June 2024, as doing so would set an undesirable precedent. The Company should be directed to submit the COD application at the earliest opportunity without further delay."



Mathar Niaz Rana (nsc)
Member Tariff

