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No. NEPRA/R/ADG(Trf)/PAR-148/SNPCL-2015/15016-21
August 11, 2022

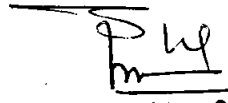
Subject: Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for July-September 2022 Quarters for Sindh Nooriabad Power Company (Pvt.) Ltd. Phase-II [Case # NEPRA/PAR-148/SNPCL-2015]

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 Sindh Nooriabad Power Company (Pvt.) Ltd. Phase-II for July-September 2022 quarter on account of US CPI, CPI (General) Local, KIBOR and Exchange Rate variation in Case No. NEPRA/PAR-148/SNPCL-2015.

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)
'A' Block, Pak Secretariats
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, Sindh Nooriabad Power Company (Pvt.) Ltd. (Phase-I)
23-A/II, Mohammad Ali Jauhar Memorial Cooperative Housing Society, Karachi
Tele: 021 – 3454 0235, 3454 0236
5. Chief Executive Officer, K-Electric Limited (KEL), KE House, Punjab Chowrangi,
39 – B, Sunset Boulevard, Phase-II, Defence Housing Authority, Karachi.

DECISION OF THE AUTHORITY IN THE MATTER OF QUARTELY INDEXATION/ADJUSTMENT OF TARIFF FOR JUL-SEP 2022 QUARTER FOR SINDH NOORIABAD POWER COMPANY (PVT) LIMITED PHASE-II

- Pursuant to the Authority's decision dated August 4, 2017 notified vide S.R.O No. 27(I)/2018 dated January 5, 2018 in the matter of Motion for Leave for Review and decision of the Authority dated September 21, 2021 notified vide S.R.O. No. 726(I)/2022 dated May 31, 2022 in the matter of fuel cost & capacity charge components adjustments on account of approval of capacity and heat rate on June 4, 2021, the relevant tariff components of Sindh Nooriabad Power Company (Private) Limited Phase-II (hereinafter "SNPCL-II") in respect of July to September 2022 quarter have been revised on account of US CPI, CPI (General) Local, KIBOR and Exchange Rate variation in accordance with the requisite indexation/adjustment mechanism stipulated in the decision(s) of the Authority. The revised tariff components are indicated hereunder and shall be immediately applicable:

Tariff Components	Reference	Revised Jul-Sep 2022 Quarter
Capacity Charge (Rs./kW/h)		
Fixed O&M - Local	0.3432	0.4546
Insurance	0.1069	0.1069
Debt Servicing (Debt + Interest)	1.5941	2.2166
ROE	0.3915	0.3915
ROEDC	0.0441	0.0441
Total	2.4798	3.2137
Energy Charge ((Rs./kWh)		
Variable O&M - Foreign	0.3410	0.8513
Variable O&M - Local	0.2790	0.3696
Total	0.6200	1.2209

- The Authority considered the request of SNPC-II for the approval of ROE and ROEDC components and decided to pass on certain legitimate cost to the end-consumer by allowing ROE/ROEDC (without indexation) on provisional basis for the period of one year i.e. July 01, 2022 to June 30, 2023.
- Indexation allowed to SNPCL-II is purely on provisional basis and shall be subject to adjustment/refund, if necessary, in the light of COD true-up decision.
- The revised tariff components attached as **Annex-I** are to be notified in the official gazette, in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.
- KE to ensure that all payments are consistent with the tariff determination(s).

AUTHORITY

Engr. Masood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh
Member

Tauseef H. Farooqi
Chairman



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Sindh Nooriabad Power Company (Pvt) Ltd Phase-II
Quarterly Indexations/Adjustments of Tariff

Tariff Components	Reference	Revised Jul-Sep 2022 Quarter
Capacity Charge (Rs./kW/h)		
Fixed O&M - Local	0.3432	0.4546
Insurance	0.1069	0.1069
Debt Servicing (Debt + Interest)	1.5941	2.2166
ROE	0.3915	0.3915
ROEDC	0.0441	0.0441
Total	2.4798	3.2137
Energy Charge ((Rs./kWh)		
Variable O&M - Foreign	0.3410	0.8513
Variable O&M - Local	0.2790	0.3696
Total	0.6200	1.2209
Indexation Values		
Exchange Rate (Rs./USD)	101.72	206.00
US CPI (All Urban Consumers)	237.111	292.296
CPI (General) - Local	203.28	269.27
3 Monthly KIBOR	6.00%	15.16%
Principal Outstanding (Rs. Million)		3,093.98
Hours in the Quarter		2,208

* For the purpose of indexation of Local O&M component for Jul-Sep 2022 quarter, CPI for May 2022 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 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.

