



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-122/UCH-II-2008/ 3243-47

March 04, 2025

Subject: Decision of the Authority in the matter of Adjustment in Lender's Fee Component of Tariff for 10th Agreement Year for UCH-II Power (Pvt) Limited

Dear Sir,

Enclosed please find herewith the subject Decision of the Authority along with Annex-I (total 03 Pages) in the matter of Adjustment in Lender's Fee Component of Tariff for the Period April 04, 2023 to April 03, 2024 in respect of Uch-II Power (Private) Limited.

2. The Decision is being intimated to the Federal Government for the purpose of notification in the official Gazette pursuant to Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 within 30 days from the intimation of this Decision. In the event the Federal Government fails to notify the subject tariff Decision within the time period specified in Section 31(7), then the Authority shall notify the same in the official Gazette pursuant to Section 31(7) of NEPRA Act.

Enclosure: As above

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

Wasim Anwar Bhinder
(Wasim Anwar Bhinder)

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, Uch-II Power (Pvt.) Limited, Building 2-B, I&T Center, Sector G- 6/1, Islamabad.



DECISION OF THE AUTHORITY IN THE MATTER OF ADJUSTMENT IN LENDER'S FEE COMPONENT OF TARIFF FOR 10TH AGREEMENT YEAR FOR UCH-II POWER (PVT) LIMITED.

1. Pursuant to the decision of the Authority dated April 24, 2018 in the matter of Motion for Leave for Review filed by Uch-II Power (Pvt.) Limited (Uch-II) against the decision of the Authority at COD dated July 3, 2017, the Letter of Credit (LC) cost with respect to Debt Service Reserve Account (DSRA) during the term of debt shall be treated as Pass-through item at actual on yearly basis. In addition, the lenders' advisors' fees (including technical legal, insurance, Trustees, inter-creditor agents, administrators, supervisors etc.) paid by Uch-II also be treated as Pass-through item during the term of debt at actual, not exceeding US\$ 0.5 million per annum, on yearly basis.
2. Uch-II has requested approval for the lender's fees cost component as a pass-through for 10th agreement year, amounting to Rs. 0.0406/kW/h, based on a total cost of Rs. 135,383,538. The details of requested cost is as under:

Sr. No.	Details	10th Agreement Year (PKR)
1	DSRA LC	77,495,523
2	Agency Fees	42,721,512
3	Professional Fees	898,627
4	Lender's Technical Advisor	14,267,876
5	Lender's Insurance Advisor	-
Total Amount		135,383,538

3. Upon review, it has been noted that Uch-II requested DSRA LC charges for the period exceeding one year (562 days), therefore, these requested charges have been capped at 365 days, which becomes Rs. 50,642,030/-. Additionally, Uch-II included amended charges of previous year of Rs. 117,969/-, which have been excluded from the requested charges. As a result, the assessed DSRA LC charges for approval amount to Rs. 50,464,061/- (for 365 days). The remaining amount of Rs. 26,853,493/- shall be considered for approval in the next year.
4. Furthermore, Uch-II included Federal Exercise Duty (FED) in the professional fee and lender's technical advisor charges and asserting that FED is non-adjustable. However, as per the existing practice, FED is adjustable. Therefore, it is reasonable to treat FED as adjustable, and deductions of Rs. 81,751/- and Rs. 1,295,584/- have been made from the professional fee and lender's technical advisor charges, respectively. In case FED is non-adjustable, the same may be claimed as pass-through item under PPA from the power purchaser.
5. Based on above adjustments, the approved charges for 10th agreement year are as follow:

Sr. No.	Details	10th Agreement Year (PKR)
1	DSRA LC	50,464,061
2	Agency Fees	42,721,512
3	Professional Fees	816,876
4	Lender's Technical Advisor	12,972,292
Total Amount		106,974,741



Signature

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 the Authority in the matter:-

“Based on documentary evidences and information submitted by Uch-II, the cost on the basis of actual exchange rates has been approved as Rs. 106,974,741 for the 10th agreement year. Based on assessed cost, the lender’s fees cost component of capacity charge part of tariff has been revised as Rs. 0.03199/kW/h for the period April 4, 2023 to April 3, 2024.”

7. The revised Lender’s Fee Cost Component of tariff schedule attached as **Annex-I** is 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.
8. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

AUTHORITY

Mathar Niaz Rana (nsc)
Member

Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh
Member

Amina Ahmed
Member

Waseem Mukhtar
Chairman



**Uch-II Power (Pvt) Limited
Adjustment of Lender's Fees**

Period	Reference Lender's Fees Cost	Revised Lender's Fees Cost	Reference Lender's Fees Cost Component	Revised Lender's Fees Cost Component
	Rs	Rs	Rs./kW/Hour	Rs./kW/Hour
April 4, 2023 to April 3, 2024	26,725,000	106,974,741	0.0080	0.03199

-Based on data declared by Uch-II Power (Pvt) Limited

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