



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/ADG(Trf)/PAR-146/KE(FPCL)-2015/ 6022-26

May 14, 2025

Subject: **Decision of the Authority in the matter of Reduction in Interest/Spread of financing facility from 1.75% to 0.75% - FFBL Power Company Limited – No. PAR-146/KE(FPCL)-2015**

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority alongwith Annex-I & II (total 04 pages) in the matter of Reduction in Interest/Spread of financing facility from 1.75% to 0.75% - FFBL Power Company Limited in Case No. NEPRA/PAR-146/KE(FPCL)-2015.

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 or refer the matter to the Authority for reconsideration, 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

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, K-Electric Limited (KEL), KE House, Punjab Chowrangi, 39-B, Sunset Boulevard, Phase-II, Defence Housing Authority, Karachi
4. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
5. Chief Executive Officer, FFBL Power Company Limited, 73-Harley Street, Rawalpindi



**DECISION IN MATTER OF REDUCTION IN INTEREST / SPREAD OF FINANCING FACILITY
FROM 1.75% TO 0.75% - FFBL POWER COMPANY LIMITED - NO. PAR-146 / KE(FPCL) - 2015**

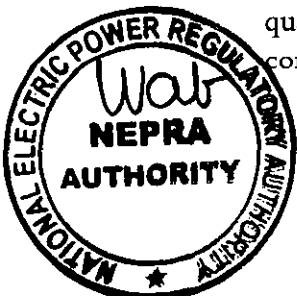
1. FFBL Power Company Limited ("FPCL" or the "Company") is public limited company incorporated as a Special Purpose Vehicle (SPV) in June 2014. The Installed capacity of the Power plant is 118 MW, out of which 52 MW of power is being exported to K-Electric and remaining is supplied to FFBL Fertilizer complex. The Company achieved its COD on May 19, 2017. The COD true-up/adjustment decision was issued on Feb 09, 2022. In the COD adjustment request, the Company submitted that they were able to obtain the loan at KIBOR plus 1.75% against allowed spread of 3.5% and requested to allow sharing of the savings in spread in line with Authority's approved mechanism of 60:40. Accordingly, A spread of 2.45% at COD was allowed after incorporating 40% of sharing in saving of spread.
2. FFBL vide its letter dated April 11, 2023 requested the Authority that spread has further been reduced from 1.75% to 0.75% through amendment in the Commercial Facility Agreement (CFA) with their lending banks. In support of its claim the Company provided the first Amendment to the CFA of FFBL Power Company Limited with its lenders i.e. National Bank of Pakistan and Bank Al-Falah. As per the CFA, the parties have agreed the following;

"Effective Date means January 01, 2023."

With effect from effective date the definition of "Margin" shall stand amended to read as follows;

"Means 0.75% per annum."

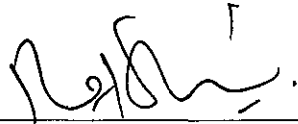
3. The Company requested to allow quarterly indexation on the basis of revised interest charges as per amended facility agreement with the lenders from January 01, 2023.
4. The matter was considered by Authority and it was decided to process the case in accordance with the Regulation 3(2) of the NEPRA (Review Procedure) Regulations 2009. Accordingly, hearing in the matter was held on February 26, 2025 which was attended by the representatives of FPCL, K-Electric, CPPA-G and other stakeholders.
5. The Authority observed that FPCL has reduced spread from 1.75% to 0.75%. In accordance with the sharing mechanism of 60:40 between power purchaser and power producer prescribed in the reference generation tariff, the revised spread works out as 1.85%. The Authority considers that the reduction in spread will be beneficial for the end-consumers. Accordingly, the Authority has decided to allow the revision in the generation tariff to the extent of revised debt schedule with effect from January 01, 2023. The Authority has also decided to revise the quarterly indexation to the extent of interest part component of debt servicing component w.e.f. 1st January 2023 on the basis of revised spread of 1.85%.



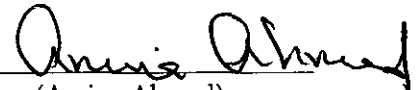
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6. The instant decision shall supersede the relevant quarterly indexation decisions of the Authority to the extent of interest component dated Mar 13, 2023, Jun 09, 2023, Aug 11, 2023, Oct 20, 2023, Jan 19, 2024, Jan 08, 2025, Mar 11, 2025 and April 30, 2025
7. The revised debt service schedule and revised quarterly indexation to the extent of interest part component of tariff are attached as **Annex-I & Annex-II** which 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.
8. KE to ensure that all the payments are consistent with tariff determination.

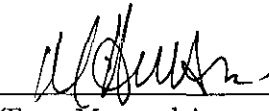
AUTHORITY



(Engr. Rafique Ahmed Shaikh)
Member



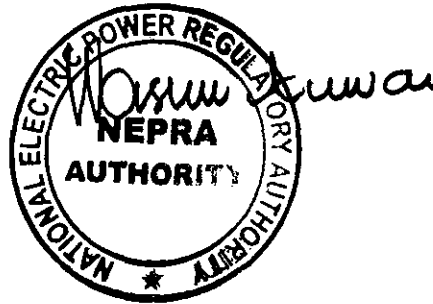
(Amina Ahmed)
Member



(Engr. Maqsood Anwar Khan)
Member



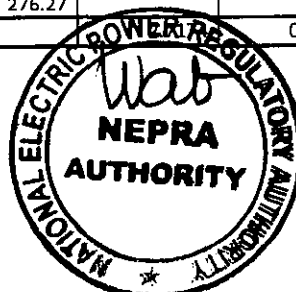
(Waseem Mukhtar)
Chairman



Revised Debt Schedule

Gross Capacity (MWs)	58	US\$/PKR Parity	104.70
Net Capacity (MWs)	52		
KIBOR	6.12%	Debt 75%	72.47938 US\$ Million
Spread over KIBOR from COD i.e May 19, 2017	2.45%	Debt in Pak Rupees	7,464.90 PKR Million
Total Interest rate from COD i.e May 19, 2017	8.57%		
Revised spread from Jan 01, 2023	1.85%		
Total Interest Rate from Jan 01, 2023	7.97%		

	Principal Million PKR	Principal Repayment Million PKR	Interest Million PKR	Balance Million PKR	Debt Service Million PKR	Principal Repayment Rs./kWh	Interest Rs./kWh	Debt Servicing Rs./kWh
1	7,464.90	119.82	159.94	7,345.09	279.75			
2	7,345.09	122.38	157.37	7,222.70	279.75			
3	7,222.70	125.00	154.75	7,097.70	279.75			
4	7,097.70	127.68	152.07	6,970.02	279.75			
1st year		494.88	624.12			1.2781	1.6119	2.8900
5	6,970.02	130.42	149.33	6,839.60	279.75			
6	6,839.60	133.21	146.54	6,706.39	279.75			
7	6,706.39	136.07	143.68	6,570.32	279.75			
8	6,570.32	138.98	140.77	6,431.34	279.75			
2nd Year		538.68	580.32			1.3912	1.4988	2.8900
9	6,431.34	141.96	137.79	6,289.38	279.75			
10	6,289.38	145.00	134.75	6,144.38	279.75			
11	6,144.38	148.11	131.64	5,996.27	279.75			
12	5,996.27	151.28	128.47	5,844.99	279.75			
3rd Year		586.35	532.65			1.5144	1.3757	2.8900
13	5,844.99	154.52	125.23	5,690.47	279.75			
14	5,690.47	157.83	121.92	5,532.64	279.75			
15	5,532.64	161.21	118.54	5,371.42	279.75			
16	5,371.42	164.67	115.08	5,206.75	279.75			
4th Year		638.24	480.77			1.6484	1.2417	2.8900
17	5,206.75	168.20	111.55	5,038.56	279.75			
18	5,038.56	171.80	107.95	4,866.76	279.75			
19	4,866.76	175.48	104.27	4,691.28	279.75			
20	4,691.28	179.24	100.51	4,512.04	279.75			
5th Year		694.72	424.29			1.7942	1.0958	2.8900
21	4,512.04	183.08	96.67	4,328.96	279.75			
22	4,328.96	187.00	92.75	4,141.96	279.75			
23	4,141.96	191.01	88.74	3,950.95	279.75			
24	3,950.95	197.55	78.72	3,753.40	276.27			
6th Year		758.64	356.88			1.9593	0.9217	2.8811
25	3,753.40	201.49	74.79	3,551.91	276.27			
26	3,551.91	205.50	70.77	3,346.41	276.27			
27	3,346.41	209.60	66.68	3,136.81	276.27			
28	3,136.81	213.77	62.50	2,923.04	276.27			
7th Year		830.36	274.74			2.1446	0.7096	2.8541
29	2,923.04	218.03	58.24	2,705.00	276.27			
30	2,705.00	222.38	53.90	2,482.63	276.27			
31	2,482.63	226.81	49.47	2,255.82	276.27			
32	2,255.82	231.33	44.95	2,024.49	276.27			
8th Year		898.54	206.55			2.3207	0.5335	2.8541
33	2,024.49	235.94	40.34	1,788.56	276.27			
34	1,788.56	240.64	35.64	1,547.92	276.27			
35	1,547.92	245.43	30.84	1,302.49	276.27			
36	1,302.49	250.32	25.95	1,052.17	276.27			
9th Year		972.33	132.77			2.5112	0.3429	2.8541
37	1,052.17	255.31	20.96	796.86	276.27			
38	796.86	260.40	15.88	536.46	276.27			
39	536.46	265.58	10.69	270.88	276.27			
40	270.88	270.88	5.40	(0.00)	276.27			
10th Year		1,052.17	52.93			0.1367		2.8541



FFBL Power Company Ltd
Quarterly Indexation from Jan-Mar 2023 to Apr-Jun 2025

Tariff Components	Revised Tariff Jan-Mar 2023	Revised Tariff Apr-Jun 2023	Revised Tariff Jul-Sep 2023	Revised Tariff Oct-Dec 2023	Revised Tariff Jan-Mar 2024	Revised Tariff April-Jun 2024	Revised Tariff Jul-Sep 2024	Revised Traiff Oct-Dec-2024	Revised Tariff Jan-Mar 2025	Revised Tariff Apr-Jun 2025
Interest Charge Rs./kWh	1.9502	2.3164	2.2528	2.1011	1.8936	1.8047	1.5307	1.1435	0.8264	0.7356
Indexation Values										
3 month KIBOR	17%	21.98%	22.91%	22.66%	21.46%	21.99%	20.24%	16.13%	12.14%	12.18%
Principal Outstanding Rs.	3,950,946,576	3,753,395,354	3,551,907,924	3,346,405,857	3,136,809,161	2,923,036,251	2,705,003,916	2,482,627,286	2,255,819,803	2,024,493,180
Quarterly Energy kWh	95,472,000	96,532,800	97,593,600	97,593,600	96,532,800	96,532,800	97,593,600	97,593,600	95,472,000	96,532,800

Boed on the data declared by FFBL Company Ltd

7/12/24

