

National Electric Power Regulatory Authority

NOTIFICATION



Islamabad, the 20th day of November, 2023

S.R.O. 1700 (I)/2023.- In pursuance of Proviso-ii of Sub-Section 7 of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), NEPRA hereby notifies the Decision of the Authority along with revised tariff components regarding quarterly indexation/adjustment of tariff of Engro Powergen Thar (Pvt.) Ltd. for the **October - December 2023** quarter on account of US CPI, N-CPI, KIBOR/LIBOR, Water Charges, Exchange Rate and Coal Price(s) variation in Case No. NEPRA/TRF-301/EPTPL-2015.

2. While effecting the Decision, the concerned entities including Central Power Purchasing Agency Guarantee Limited (CPPAGL) shall keep in view and strictly comply with the orders of the courts notwithstanding this Decision.


(Engr. Mazhar Iqbal Ranjha)
Registrar

DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ADJUSTMENT OF TARIFF FOR OCTOBER TO DECEMBER 2023 QUARTER FOR ENGRO POWERGEN THAR (PRIVATE) LIMITED.

1. Pursuant to the decision of the Authority dated March 13, 2015 in the matter of application of Engro Powergen Thar (Private) Limited (hereafter "EPTPL") for unconditional acceptance of Upfront Thar Coal tariff for 2x330 MW coal power plant 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, KIBOR/LIBOR, Water Charges, Exchange Rate and Coal Price(s) variation.
2. The power plant has achieved its COD on July 10, 2019. The decision in the matter of COD tariff true-up was issued on June 15, 2022 which was challenged in the Appellate Tribunal. The Petitioner also sought suspension of the operation of the subject decision from the Honorable Sindh High Court, Karachi through its Order dated July 20, 2022. Lately, the Appellate Tribunal on October 6, 2022 passed following Order:

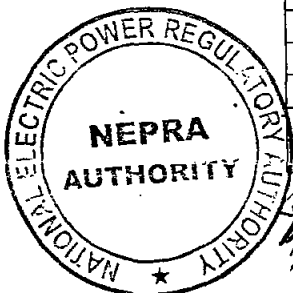
"..... Contention heard. Following principle of parity the interim relief dated 07th September 2022 passed in appeal No. 40/NT/2022 (CPGCL appeal) will also be applicable in this case."

3. Accordingly, the Authority has decided to extend the provisional approval of tariff indexation/adjustment of reference tariff dated March 13, 2015 till the final decision of Sindh High Court and/or Appellate Tribunal. The said decision is without prejudice to the stance of NEPRA regarding the maintainability and grant of interim relief by Appellate Tribunal and shall be subject to outcome of legal proceedings pending in this regards.
4. During the approval of Indexation/Adjustment for July to September 2023 quarter, the Authority disallowed Ash Disposal, Limestone, Water Charges (Capital Cost) and Water Charges (O&M) components on the basis that these are required to be adjusted as per actual. EPTL challenged the above decision vide C.M. No. 03/NT/2023 in the Appellate Tribunal (NEPRA) and Appellate Tribunal (NEPRA) vide its Order dated October 4, 2023 directed NEPRA to ensure the implementation of the earlier orders of the Tribunal. Therefore, Ash Disposal, Limestone, Water Charges (Capital Cost) and Water Charges (O&M) components have been included in the instant quarterly indexation/adjustment.
5. The Authority in its collective and joint wisdom decided with consensus as under; which will be hereafter called as decision of Authority in the matter:-

"Indexation/adjustment for October to December 2023 quarter has been made in the tariff components in accordance with the requisite indexation/adjustment mechanism stipulated in the decision(s) of the Authority."

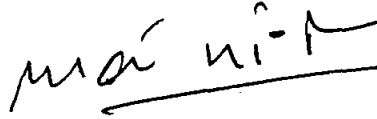
6. The revised components are indicated hereunder shall be immediately applicable.

| Tariff Components | Reference Mar 13, 2015 & Mar 10, 2021 | Revised Oct-Dec 2023 Quarter |
|--|---|------------------------------------|
| Capacity Charge (Rs./KWh) | | |
| Fixed O&M - Foreign | 0.1535 | 0.5887 |
| Fixed O&M - Local | 0.2114 | 0.3861 |
| Cost of Working Capital | 0.1094 | 0.3241 |
| Insurance | 0.0944 | 0.0944 |
| ROE | 1.4075 | 4.1906 |
| Interest Charges | 0.4242 | 2.6210 |
| Debt Repayment | 1.3311 | 3.9066 |
| Total | 3.7315 | 12.1115 |
| Energy Purchase Price (Rs./KWh) | | |
| Variable O&M - Foreign | 0.0684 | 0.2623 |
| Variable O&M - Local | 0.0628 | 0.1147 |
| Ash Disposal | 0.2200 | 0.2200 |
| Limestone | 0.0900 | 0.0900 |
| Water Charges (Government of Sindh) | 0.2897 | 0.4131 |
| Water Charges (Capital Cost) | 0.1574 | 0.1574 |
| Water Charges (O&M) | 0.0600 | 0.0600 |
| Total | 0.9483 | 1.3175 |

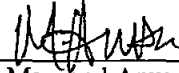


7. The above referred revised tariff components attached as **Annex-I** are to be notified in the official gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.
8. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

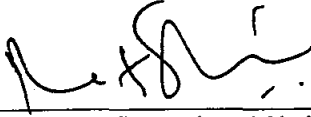
AUTHORITY



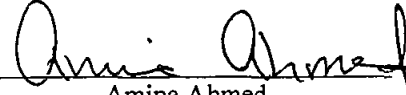
Mathar Niaz Rana (nsc)
Member



Engr. Maqsood Anwar Khan
Member



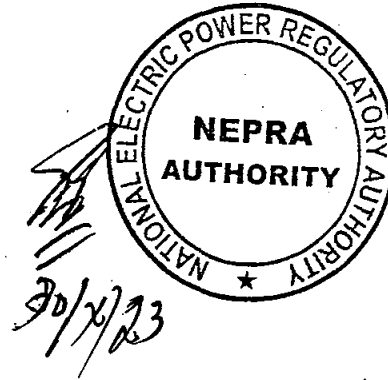
Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



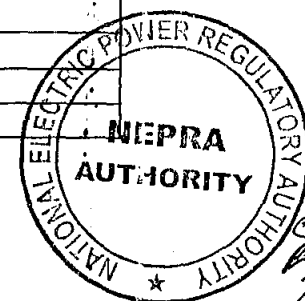
Waseem Mukhtar
Chairman



Engro Powergen Thar (Private) Limited
Quarterly Indexation/ Adjustment of Tariff

| Tariff Components | Reference Mar 13, 2015 & Mar 10, 2021 | Revised Oct-Dec 2023 Quarter | Indexation |
|---|---|------------------------------------|--|
| Capacity Charge (Rs./KWh) | | | |
| Fixed O&M - Foreign | 0.1535 | 0.5887 | US CPI & Rs./US\$ |
| Fixed O&M - Local | 0.2114 | 0.3861 | N-CPI Local |
| Cost of Working Capital | 0.1094 | 0.3241 | KIBOR & Fuel Cost as per respective consumption of Local Coal |
| Insurance | 0.0944 | 0.0944 | - |
| ROE | 1.4075 | 4.1906 | Rs./US\$ |
| Interest Charges | 0.4242 | 2.6210 | LIBOR & Rs./US\$ |
| Debt Repayment | 1.3311 | 3.9066 | Rs./US\$ |
| Total | 3.7315 | 12.1115 | |
| Energy Purchase Price (Rs./KWh) | | | |
| Variable O&M - Foreign | 0.0684 | 0.2623 | US CPI & Rs./US\$ |
| Variable O&M - Local | 0.0628 | 0.1147 | N-CPI Local |
| Ash Disposal | 0.2200 | 0.2200 | - |
| Limestone | 0.0900 | 0.0900 | - |
| Water Charges (Government of Sindh) | 0.2897 | 0.4131 | Water Charges of Irrigation Department of Government of Sindh |
| Water Charges (Capital Cost) | 0.1574 | 0.1574 | - |
| Water Charges (O&M) | 0.0600 | 0.0600 | - |
| Total | 0.9483 | 1.3175 | |
| Indexation Values | | | Source |
| Exchange Rate (Rs./USD) | 97.10 | 289.100 | NBP - Revised rate of Sep 28, 2023 |
| US CPI (All Urban Consumers) | 238.34 | 307.026 | U.S. Bureau of Labor Statistics - Revised value of Aug 2023 |
| N-CPI (Local) | 131.01 | 239.270 | Pakistan Bureau of Statistics - Revised value of Aug 2023 |
| 3 Monthly KIBOR | 11.91% | 22.66% | SBP - Revised rate of Sep 28, 2023 |
| 3 Monthly LIBOR | 0.45% | 5.657% | global-rates.com - Revised rate of Sep 29, 2023 |
| Variable Coal Price (Rs./MT) | 1,393.44 | 4,222.45 | Weighted Average Variable Price of Coal Consumed during Jul-Sep 2023 |
| Coal Calorific Value (BTUs/Kg) | 11,005 | 10,710 | Weighted Average CV of Coal Consumed during Jul-Sep 2023 |
| Price of Water (GoS) (Rs./1000 Gallons) | 320 | 456.30 | Water Charges of Irrigation Department of Government of Sindh |
| Principal Outstanding (USD. Million) | - | 236.70 | |
| Hours in the Quarter | - | 2,208 | |

- Based on the data declared by Engro Powergen Thar (Private) Limited.





REGISTRAR

National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, G-5/1 (East), Near MNA Hostel, Islamabad

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No. NEPRA/TRF-100/Notifications/ 37312-14

November 20, 2023

The Manager
Printing Corporation of Pakistan Press
Shahrah-e-Suharwardi,
Islamabad

Subject: **NOTIFICATION REGARDING DECISIONS OF THE AUTHORITY**

In pursuance of Proviso (ii) to Sub-Section 7 of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), enclosed please find herewith following Decisions of the Authority as per following detail for immediate publication in the official Gazette of Pakistan:

| S. No. | Decision | Issuance No. and Date |
|--------|---|---------------------------|
| 1. | Decision of the Authority regarding quarterly indexation/adjustment of tariff of Engro Powergen Qadirpur Ltd. for October –December 2020 to July – September 2023 quarters | 35678-35682 30-10-2023 |
| 2. | Decision of the Authority regarding quarterly indexation/adjustment of tariff of Port Qasim Electric Power Company (Private) Ltd. for October - December 2020 to July - September 2023 quarters | 35606-35610 30-10-2023 |
| 3. | Decision of the Authority regarding quarterly indexation/adjustment of tariff of Port Qasim Electric Power Company (Private) Ltd. for July - September 2023 & October - December 2023 quarters | 35752-35720 30-10-2023 |
| 4. | Decision of the Authority regarding quarterly indexation/adjustment of tariff of Engro Powergen Thar (Pvt.) Ltd. for October - December 2020 to July - September 2023 quarters | 35716-35720 30-10-2023 |
| 5. | Decision of the Authority regarding quarterly indexation/adjustment of tariff of Engro Powergen Thar (Pvt.) Ltd. for October - December 2023 quarter | 35698-35702 30-10-2023 |
| 6. | Decision of the Authority regarding quarterly indexation/adjustment of tariff of Huaneng Shandong Ruyi (Pakistan) Energy Private Limited for October - December 2023 quarter | 35594-35598 30-10-2023 |
| 7. | Decision of the Authority regarding quarterly indexation/adjustment of tariff of China Power Hub Generation Company Private Limited for October - December 2023 quarter | 35618-35622 30-10-2023 |
| 8. | Decision of the Authority in the matter of quarterly indexation/ adjustment of local O&M components of tariff for February 17, 2023 to July – September 2023 quarters of tariff for ThalNova Power Thar (Pvt.) Limited | 35672-35676 30-10-2023 |
| 9. | Decision of the Authority regarding quarterly indexation/adjustment of tariff of ThalNova Power Thar (Pvt.) Limited for October - December 2023 quarter | 35636-35640 30-10-2023 |
| 10. | Decision of the Authority regarding quarterly indexation/adjustment of tariff of Thar Energy Ltd. for October –December 2022 to July – September 2023 quarters | 35734-35738 30-10-2023 |
| 11. | Decision of the Authority regarding quarterly indexation/adjustment of tariff of Thar Energy Ltd. for October - December 2023 quarter | 35654-35658 30-10-2023 |

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|-----|---|---------------------------|
| 12. | Decision of the Authority regarding quarterly indexation/adjustment of tariff of FFBL Power Company Ltd. for October –December . 2020 to July – September 2023 quarters | 35686-35690 30-10-2023 |
| 13. | Decision of the Authority regarding quarterly indexation/adjustment of tariff of Sindh Nooriabad Power Company (Pvt.) Ltd. Phase-II for July - September 2023 & October - December 2023 quarters | 35775-35779 30-10-2023 |

2. Please also furnish thirty five (35) copies of the Notifications to this Office after its publication.

Encl: 13 Notifications

(Engr. Mazhar Iqbal Ranjha)

CC:

1. Chief Executive Officer, Central Power Purchasing Agency (Guarantee) Limited, 73 East, AKM Fazl-e-Haq Road, Block H, G-7/2, Blue Area, Islamabad
2. Syed Mateen Ahmed, Deputy Secretary (T&S), Ministry of Energy – Power Division, 'A' Block, Pak Secretariat, Islamabad