



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-433/PMTC-2018/43233-43235
December 24, 2021

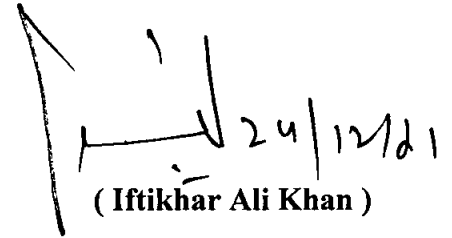
Subject: Decision of the Authority in the matter of Interim Relief for Indexation of the relevant Reference Tariff Components of Pak Matiari Lahore Transmission Company (Pvt.) Ltd. (PMLTC) Transmission Tariff [Case # NEPRA/TRF-433/PMTC-2018]

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority (03 Pages) in the matter of Interim Relief for Indexation of the relevant Reference Tariff Components of Pak Matiari Lahore Transmission Company (Pvt.) Ltd. (PMLTC) Transmission Tariff in Case No. NEPRA/TRF-433/PMTC-2018.

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.
3. The revised tariff components attached as **Annex-I** are to be notified in the official Gazette.

Enclosure: As above


(Iftikhar Ali Khan)

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

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.

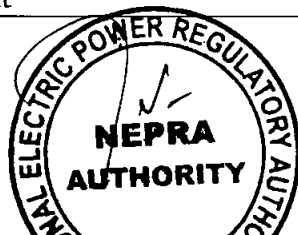
DECISION OF THE AUTHORITY IN THE MATTER OF INTERIM RELIEF FOR INDEXATION OF THE RELEVANT REFERENCE TARIFF COMPONENTS OF PAK MATIARI-LAHORE TRANSMISSION COMPANY PVT. LIMITED (PMLTC) TRANSMISSION TARIFF

1. Pak Matiari Lahore Transmission Company (Private) Limited (“PMLTC” the “Company”) vide letter dated September 22, 2021 informed that it has achieved Commercial Operations Date (COD) on September 01, 2021. PMLTC requested the Authority to allow interim relief on account of indexations of all the tariff components including capex and opex of tariff determination dated December 04, 2018 for post-COD period based on the applicable indexation parameters prevailing for the relevant quarters i.e. July-September 2021, as significant change has taken place from the issuance of reference tariff. PMLTC vide letter dated October 18, 2021 requested the Authority to allow indexation for the quarters July-September 2021 and October-December 2021 as interim relief keeping in view the aforesaid factors.
2. The Authority considered the request of the Company and noticed that the COD adjustment request has been submitted to NEPRA for true-up / adjustment. The Authority further observed that interim relief has already been granted to different licensees which are subject to adjustment based on their final decision. The Authority also observed that the true-up/verification process need considerable time, accordingly keeping in view the aforesaid factors, the Authority decided to grant interim relief to the Company subject to the adjustment through COD decision.

3. Order

- 3.1 Pursuant to the Decision of the Authority in terms of Section 7(2)(g) of NEPRA Act 1997 dated December 4, 2018 issued in the matter of Matiari Lahore 4000 MW ± 660 KV HVDC Transmission Line Project [Case # NEPRA/TRF-433/PMLTC2018], the tariff of Pak Matiari Lahore Transmission Company (Private) Limited (PMLTC) for the quarter ending July-September 2021 and October-December 2021 has been revised on account of CPI (General), US CPI, LIBOR and exchange rate variation in accordance with the requisite indexation/adjustment mechanisms stipulated in the above referred decision of the Authority. The revised tariff indicated hereunder shall be immediately applicable:

Transmission Services Charge Components	Reference tariff	Revised July-Sep 2021 w.e.f 01.09.2021	Revised Oct-Dec 2021
Transmission Services Charge	(Rs./kW/Hour)		
Foreign O&M	0.0441	0.0746	0.0818
Local O&M – ICT	0.0323	0.0420	0.0420
Local O&M – NTDC	0.0411	0.0534	0.0534
Land Lease	0.0073	0.0073	0.0073
Insurance	0.0409	0.0409	0.0409
Return on Equity	0.1680	0.2547	0.2751
Return on Equity during Construction	0.0388	0.0588	0.0635
Loan Repayment	0.3038	0.4606	0.4975



Interest Charges	0.2189	0.2729	0.2946
Sinosure	0.0250	0.0250	0.0250
Total Tariff	0.9202	1.2902	1.3811
Indexation Values			
Exchange Rate (Rs./USD)	104.4	158.3	170.95
US CPI (All Urban Consumers)	241.38	269.195	273.567
CPI General – Local	207.3	269.270	269.270
6 Month LIBOR	1.1442%	0.1595%	0.1585%

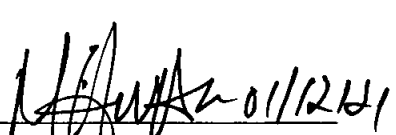
* Insurance and Sinosure component is not part of quarterly indexation. Insurance is adjusted annually on actual basis as per mechanism stipulated in the Decision of the Authority. Also Sinosure will be adjusted at COD.

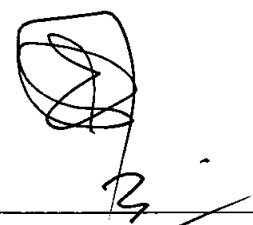
** For the purpose of indexation of Local O&M components for July – September 2021 quarter, CPI of May 2021 was required to be used and similarly for October-December 2021 quarter, CPI of August 2021 was required to be used. However, Pakistan Bureau of Statistics has discontinued the publication of CPI 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 TSA, the latest available CPI of June 2020 i.e 269.27 for base year 2007-08 has been used for the 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.

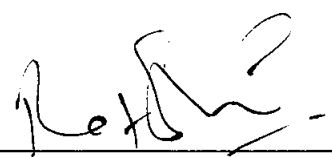
*** The Authority vide its decision dated March 10, 2021 replaced CPI Base Year 2007.08 with N-CPI Base Year 2015-16. The decision shall be implemented upon Notification in the Official Gazette.

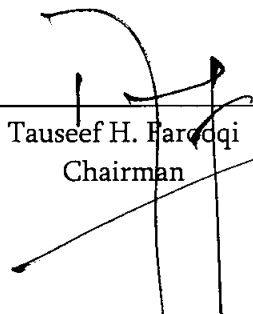
- 3.2 The indexation allowed to Pak Matiari Lahore Transmission Company (Private) Limited (PMLTC) is purely on provisional basis till finalization of its COD tariff by the Authority and will be subject to adjustment, if any, in the light of final decision of the Authority at the time of COD adjustment.
- 3.3 The above referred revised tariff components attached as **Annex-I** is to be notified in the official gazette, in terms of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

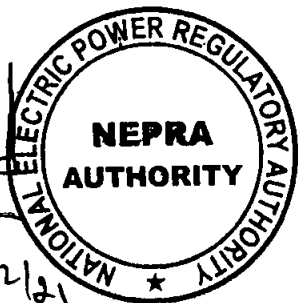
AUTHORITY


Engr. Maqsood Anwar Khan
Member


Rehmatullah Baloch
Member


Rafique Ahmed Shaikh
Vice Chairman


Tauseef H. Farooqi
Chairman



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