



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-433/PMTC-2018/17-22

January 3, 2023

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 for the Quarter October to December 2022 [Case # NEPRA/TRF-433/PMTC-2018]**

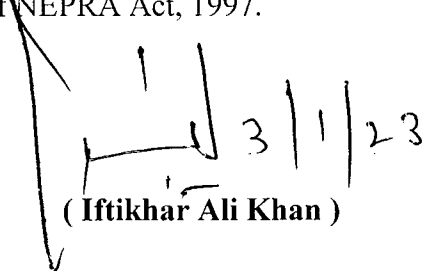
Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised tariff (Annex-I) (04 Pages) regarding quarterly indexation/adjustment of tariff of Pak Matiari Lahore Transmission Company (Pvt.) Ltd. (PMLTC) for the quarter ending October-December 2022 on account of CPI (General), US CPI, LIBOR and Exchange Rate variation in Case No. NEPRA/TRF-433/PMTC-2018.

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

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

  
( Iftikhar Ali Khan )

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Managing Director, National Transmission & Despatch Co. Ltd. (NTDC)  
414 WAPDA House, Shaharah-e-Quaid-e-Azam, Lahore Tele: 042 - 9920 2229
4. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
5. Chief Executive Officer, Pak Matiari Lahore Transmission Co (Pvt.) Ltd.  
House No. 581, St. No. 17, Z-Block, DHA, Phase-III, Lahore Tele: 092-42-35746855

**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 FOR THE QUARTER OCTOBER TO DECEMBER 2022.**

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 vide letter dated October 03, 2022 requested the Authority to allow indexation for the quarter October to December 2022 as interim relief. Subsequently, PMLTC vide their communication dated Nov 04, 2022 and Nov 27, 2022 requested the Authority to use actual months of debt service obligation for indexation of interest component of the tariff. PMLTC submitted that the tariff parameters (LIBOR rate) of actual month’s i.e April and October may be considered for the basis of interest component indexation instead of NEPRA’s approach of considering the tariff parameters effective from 1<sup>st</sup> January and 1<sup>st</sup> July for the basis of interest component indexation.
2. The PMLTC COD true-up/adjustment request with respect to reference parameters of December 04, 2018 tariff are under process with NEPRA. Keeping in view the considerable time period required for verification process for project cost, interim relief (purely on provisional basis) was granted to PMLTC on December 24, 2021 which are subject to adjustment based on their final decision. Subsequently the indexation is allowed in line with the notified mechanism on provisional basis.
3. The Authority considered the request of PMLTC for allowing 31<sup>st</sup> March and 30<sup>th</sup> September LIBOR rates for adjustment of the debt servicing component. The Authority observed that NEPRA adjusted the bi-annual debt servicing component of IPPs on the basis of 31<sup>st</sup> December and 30<sup>th</sup> June LIBOR/KIBOR rates. In the instant case while allowing the interim indexation the 30<sup>th</sup> June 2021 LIBOR rate was allowed in line with other IPPs. The licensee can achieve COD at any particular month of the year. Therefore while allowing the debt servicing, previous quarter indices are used as reference for indexation of the relevant tariff components. In line with these parameters and keeping in view the fact that PMLTC has achieved its COD on 01<sup>st</sup> September 2021, NEPRA has adopted the 30<sup>th</sup> June LIBOR rate for calculation of the debt servicing.
4. In view thereof the Authority has decided to decline the request of PMLTC for adopting the 31<sup>st</sup> March LIBOR rates for adjustment of the debt service components instead of 30<sup>th</sup> June LIBOR rates. Accordingly the decision pertaining to adjustment of the debt service components on the basis of 01<sup>st</sup> January and 01<sup>st</sup> July is maintained. The LIBOR rates prevailing for the quarters October 2021 to September 2022 are also made consistent to this methodology.

5. **Order**

- 5.1 Pursuant to the Decision of the Authority dated December 04, 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 October to December 2022 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:



*[Handwritten signatures and initials]*

Transmission Services Charge	Ref tariff	Revised				Assessed
		Oct-Dec 2021	Jan-Mar 2022	Apr-Jun 2022	July - Sep 2022	Oct-Dec 2022
	(Rs./kW/Hour)					
Foreign O&M	0.0441	0.0818	0.0866	0.0910	0.1054	0.1192
Local O&M – ICT	0.0323	0.0420	0.0420	0.0420	0.0420	0.0420
Local O&M – NTDC	0.0411	0.0534	0.0534	0.0534	0.0534	0.0534
Land Lease	0.0073	0.0073	0.0073	0.0073	0.0073	0.0073
Insurance	0.0409	0.0409	0.0409	0.0409	0.0409	0.0409
Return on Equity	0.168	0.2751	0.2864	0.2948	0.3315	0.3700
Return on Equity during Construction	0.0388	0.0635	0.0661	0.0681	0.0766	0.0855
Loan Repayment	0.3038	0.4606	0.5178	0.5178	0.6338	0.6338
Interest Charges	0.2189	0.2729	0.3209	0.3209	0.5265	0.5265
Sinosure	0.025	0.0250	0.0250	0.0250	0.0231	0.0231
<b>Total Tariff</b>	<b>0.9202</b>	<b>1.3226</b>	<b>1.4463</b>	<b>1.4611</b>	<b>1.8404</b>	<b>1.9016</b>
<b>Indexation Values</b>						
Exchange Rate (Rs./USD)	104.4	170.95	177.95	183.2	206	229.95
US CPI (All Urban Consumers)	241.38	273.567	277.948	283.716	292.296	296.171
CPI General – Local - Old Base	207.3	269.27	269.27	269.27	269.27	269.27
6 Month LIBOR	1.1442%	0.1595%	0.3388%	0.3388%	2.9351%	2.9351%

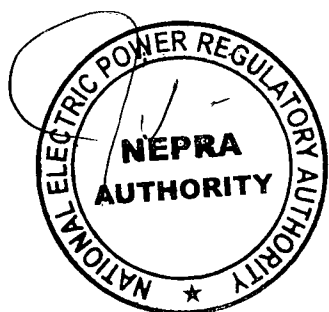
\* Insurance and Sinosure component is not part of quarterly indexation. Insurance is adjusted annually on actual basis as per mechanism stipulated in the Decision of the Authority. Also Sinosure will be adjusted at COD.

\*\* 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 2022 quarter, CPI of August 2022 is 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.

\*\*\*\* The revision has been made on account of LIBOR of 30<sup>th</sup> June 2021, 31<sup>st</sup> December 2022 and 30<sup>th</sup> June 2022.

- 5.2 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 decision of the Authority at the time of COD adjustment.





6. 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**

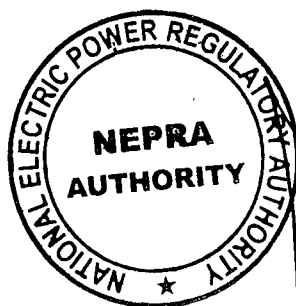
(Did Not Attend Meeting)

Mathar Niaz Rana (nsc)  
Member

Engr. Maqsood Anwar Khan  
Member

Rafique Ahmed Shaikh  
Member

Tauseef H. Farooq  
Chairman



3 / 1 / 23

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