



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.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/R/ADG(Trf)/TRF-433/PMTC-2018/17043-48

September 7, 2022

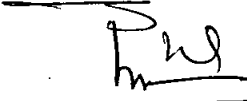
Subject: Decision of the Authority in the matter of Interim Relief for Indexation of the relevant Reference Tariff Components of Pak Matiari Lahore Transmission Company (Pvt.) Ltd. (PMLTC) Transmission Tariff [Case # NEPRA/TRF-433/PMTC-2018]

Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised tariff components (Annex-I) (03 Pages) regarding quarterly indexation/adjustment of tariff of Pak Matiari Lahore Transmission Company (Pvt.) Ltd. (PMLTC) for the quarter July-September 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


07 09 22

(Syed Safer Hussain)

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.
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 (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
5. Chief Executive Officer, Pak-Matiari-Lahore Transmission Company (Pvt.) Ltd.
No. 177-A, Street 6, DHA, Lahore Tele: 042 - 3574 6855



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 JULY TO SEPTEMBER 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 July 04, 2022 requested the Authority to allow indexation for the quarter July-September 2022 as interim relief.
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 on provisional basis which is subject to the adjustment through COD decision.

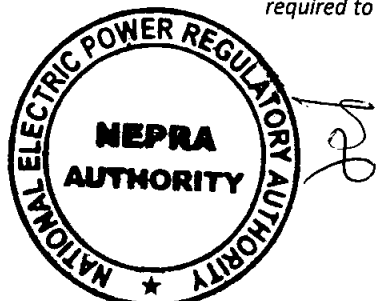
3. Order

- 3.1 Pursuant to the Decision of the Authority 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 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:

| Transmission Services Charge Components | Reference tariff | Revised Jul-Sep 2022 w.e.f 01.07.2022 |
|---|----------------------|--|
| Transmission Services Charge | (Rs./kW/Hour) | |
| Foreign O&M | 0.0441 | 0.1054 |
| Local O&M – ICT | 0.0323 | 0.0420 |
| Local O&M – NTDC | 0.0411 | 0.0534 |
| Land Lease | 0.0073 | 0.0073 |
| Insurance | 0.0409 | 0.0409 |
| Return on Equity | 0.1680 | 0.3315 |
| Return on Equity during Construction | 0.0388 | 0.0766 |
| Loan Repayment | 0.3038 | 0.6338 |
| Interest Charges | 0.2189 | 0.4210 |
| Sinosure | 0.0250 | 0.0250 |
| Total Tariff | 0.9202 | 1.7368 |
| Indexation Values | | |
| Exchange Rate (Rs./USD) | 104.4 | 206 |
| US CPI (All Urban Consumers) | 241.38 | 292.296 |
| CPI General – Local – Old Base | 207.3 | 269.270 |
| 6 Month LIBOR | 1.1442% | 1.46986% |

* 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 July – September 2022 quarter, CPI of May 2022 is required to be used. However,



1
AA
g



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.

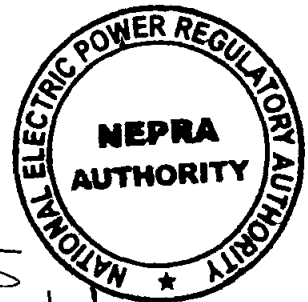
- 3.2 The indexation allowed to Pak Matiari Lahore Transmission Company (Private) Limited (PMLTC) is purely on provisional basis till finalization of its COD tariff by the Authority and will be subject to adjustment, if any, in the decision of the Authority at the time of COD adjustment.
- 3.3 The above 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

Rafique Ahmed Shaikh
Vice Chairman

Tauseef H. Farooqi
Chairman

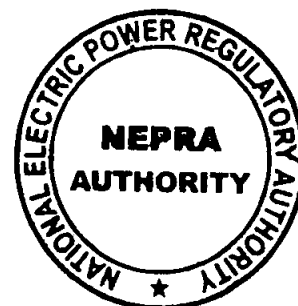

07 09 22

| Transmission Services Charge Components | Reference tariff | Revised Jul-Sep 2022 w.e.f 01.07.2022 |
|---|----------------------|--|
| Transmission Services Charge | (Rs./kW/Hour) | |
| Foreign O&M | 0.0441 | 0.1054 |
| Local O&M – ICT | 0.0323 | 0.0420 |
| Local O&M – NTDC | 0.0411 | 0.0534 |
| Land Lease | 0.0073 | 0.0073 |
| Insurance | 0.0409 | 0.0409 |
| Return on Equity | 0.1680 | 0.3315 |
| Return on Equity during Construction | 0.0388 | 0.0766 |
| Loan Repayment | 0.3038 | 0.6338 |
| Interest Charges | 0.2189 | 0.4210 |
| Sinosure | 0.0250 | 0.0250 |
| Total Tariff | 0.9202 | 1.7368 |
| Indexation Values | | |
| Exchange Rate (Rs./USD) | 104.4 | 206 |
| US CPI (All Urban Consumers) | 241.38 | 292.296 |
| CPI General – Local (June 2020) | 207.3 | 269.270 |
| 6 Month LIBOR | 1.1442% | 1.46986% |

* 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 July – September 2022 quarter, CPI of May 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.



Handwritten signatures and initials are present at the bottom of the page, including a large 'M' and several smaller initials.