



National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-433/PMTC-2018/35739-35741
September 2, 2021

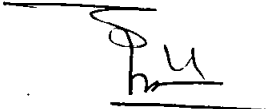
Subject: Decision of the Authority in the matter of Petition filed by Pak Matiari Lahore Transmission Company (Pvt.) Ltd. (PMLTC or the Petitioner or The Company) for Modification of Tariff Determination dated December 4, 2018 [Case # NEPRA/TRF-433/PMTC-2018]

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority (09 Pages) in the matter of Petition filed by Pak Matiari Lahore Transmission Company (Pvt.) Ltd. (PMLTC or the Petitioner or The Company) for Modification of Tariff Determination dated December 4, 2018 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.

Enclosure: As above



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(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.



**DECISION OF THE AUTHORITY IN THE MATTER OF PETITION FILED BY PAK MATIARI LAHORE
TRANSMISSION COMPANY (PRIVATE) LIMITED (PMLTC OR THE PETITIONER OR THE COMPANY) FOR
MODIFICATION OF TARIFF DETERMINATION DATED DECEMBER 04, 2018**

INTRODUCTION:

1. Pak Matiari Lahore Transmission Company (Private) Limited (hereinafter "PMLTC" or "Company" or "Petitioner") vide letter No PMLTC-COMMERCIAL-(86) dated April 02, 2021 submitted petition for modification of Tariff determination of the Authority dated December 04, 2018.

MODIFICATION SOUGHT:

2. The Company in the instant tariff modification petition has submitted that the Company and National Transmission and Dispatch Company ("NTDC") have agreed to extend the Required Commercial Operations Date (hereinafter "RCOD") as defined in article 1 of the Transmission Service Agreement (hereinafter "TSA") dated May 14, 2018 from 27 months to 33 months in accordance with terms and conditions agreed in Memorandum of Understanding ("MOU") dated February 18, 2021.
3. The PMLTC further submitted that the above modification request has been made in light of the MOU signed on February 18, 2021 between the parties i.e. NTDC and Company, ECC's Summary / ECC's decision dated March 31, 2021.
4. The company submitted that in accordance with the terms of MOU, amendments in TSA and O&M agreement were initiated and signed between NTDC and PMLTC on April 28, 2021. Similarly amendments in Implementation Agreement (hereinafter "IA") between PMLTC and PPIB was also signed on April 28, 2021.
5. PMLTC sought following modifications in its tariff determination:
 - i. To amend RCOD from 1st March 2021 to 1st September 2021 and allow the same as Pre COD period.
 - ii. To allow the Transmission Service Charge on maximum demonstrated capability for Pre-COD period (based on low and high power test).
 - iii. To allow the revenue loss of approximately Rs. 14 billion during Pre-COD period (i.e. from 1st March 2021 to 1st September 2021) as an exceptional cost item within the Project cost at the time of COD adjustment.
 - iv. To approve the payment and testing mechanism as stated in Transmission Service Addendum Agreement and Implementation Addendum Agreement.
 - v. To allow provisional indexation of reference tariff components (Rs. 1.37/kWh) till the time the final one-time adjustment of Amended Modified Tariff Determination.
6. The petitioner submitted that the pre COD tariff to be determined by Authority will become the base upon which payment will be made to the company by NTDC during the applicable period before full COD.

PROCEEDINGS:

7. The Authority in terms of Rule 4(1) of Tariff Rules-1998 admitted the subject tariff modification petition for consideration on April 27, 2021.
8. In order to provide opportunity to the stakeholders, the hearing in the matter was fixed online through zoom link on June 17, 2021. Advertisement of admission/ hearing was published in terms of Rule 5(1) of Tariff Rules in national newspaper on June 04, 2021. Individual notices were also issued on June 09, 2021 to relevant stakeholders.

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9. Based on tariff modification petition following issues were framed and uploaded on NEPRA's website([https://nepra.org.pk/Admission%20Notices/2021/06%20June/ISSUES%20FOR%20 HEARING. pdf](https://nepra.org.pk/Admission%20Notices/2021/06%20June/ISSUES%20FOR%20HEARING.pdf)) for input / comments, interventions and participation in the hearing of the stakeholders:
- Whether the request of PMLTC for amendment of RCOD from 1st March 2021 to 1st September 2021 and allowing the same as Pre COD period is justified?
 - Whether the request of PMLTC to approve the payment and testing mechanism as stated in Transmission Service Addendum Agreement and Implementation Addendum Agreement is justified?
 - Whether the request of PMLTC to allow Transmission Service Charge on maximum demonstrated capability for Pre-COD period and to allow the loss of revenue during Pre-COD period as an exceptional cost item within the Project cost at the time of COD adjustment is justified?
 - Whether the request of PMLTC regarding interim indexation of reference tariff components on provisional basis till the time the final one-time adjustment of Amended Modified Tariff Determination is justified?
 - Any other issue considered appropriate by the Authority?
10. However, the hearing could not be held on June 17, 2021 and was subsequently rescheduled for July 01, 2021. Accordingly advertisement for rescheduling of hearing in terms of Rule 5(1) was published in national newspapers on June 29, 2021. Individual notices of rescheduling of hearing were also sent to the stakeholders on June 29, 2021.
11. The hearing in the matter was held online through zoom link on July 01, 2021 which was attended by the Petitioner and representatives of Private Power Infrastructure Board (PPIB), National Transmission and Despatch Company Limited (NTDCL), Central Power Purchasing Agency Limited (CPPAGL) and other stakeholders.
12. MOE submitted its comments on August 02, 2021 on the subject matter. Comments of PPIB, NTDC (as submitted during the hearing) and MOE are discussed in relevant section of this decision.
13. Based on the submissions of the petitioner, comments of NTDC and PPIB during the hearing, comments of MOE, available benchmarks, precedence of the decisions of the Authority in earlier cases and information available, issue wise detailed discussion and decisions are as under;

Issue # 01: Whether the request of PMLTC for amendment of RCOD from March 01, 2021 to September 01, 2021 and allowing the same as Pre-COD period is justified?

Petitioner's Submission:

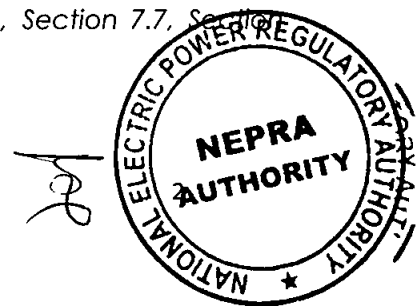
14. The petitioner requested to amend RCOD from March 01, 2021 to September 01, 2021 and allow the aforesaid period as Pre-COD period. PMLTC further submitted that the definition of Required Commercial Operations Date in Section 1.1 of TSA has been revised in amended TSA as agreed in MOU. The definitions of "Required Commercial Operations Date" in section 1.1 of TSA was:

"The date that is twenty-seven (27) months following the Construction Start Date, as such date may be extended pursuant to Section 6.1, Section 6.5, Section 6.6(c), Section 7.7, Section 8.1(b), or Section 8.3(a)(ii) or by reason of a Force Majeure Event."

15. The above referred definition of RCOD has been revised in Addendum TSA as follows:

"The date that is thirty-three (33) months following the Construction Start Date, as such date may be extended pursuant to Section 6.1, Section 6.5, Section 6.6(c), Section 7.7, Section 8.1(b), or Section 8.3(a)(ii) or by reason of a Force Majeure Event."

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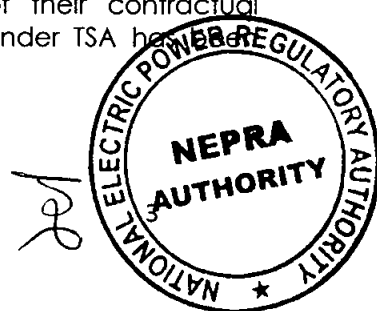


16. The petitioner submitted that as per original schedule, aforesaid definition and allowed construction period in Tariff Determination, the Required Commercial Operations Date ("RCOD") of the Project works out to be March 01, 2021.
17. The petitioner while justifying the extension in RCOD submitted that the company started the construction of the Project on December 1, 2018 which is defined as Construction Start Date in the TSA dated May 14, 2018 and achieved its mechanical completion in October 2020. The petitioner submitted that it successfully completed equipment debugging and sub-system commissioning and station commissioning based on which the certificate of readiness was issued and the company was moved into the stage of system commissioning in December 2020. The petitioner submitted that due to unavailability of energy for testing, commissioning and operating because of delay in commissioning of the generation projects being developed in the south, which were to feed energy in the Project for transmission tests, along with outbreak of COVID-19 pandemic, both NTDC and the Company started facing various issues in achieving RCOD on time. Despite all the difficulties and limitations engulfing the Parties, both NTDC and the Company invested all their efforts to avoid such delay during such unforeseen event of COVID-19 and proceeded with the testing of the Project pursuant to the provisions of the TSA. However, testing the Project at high power was not possible due to aforesaid unavailability of prerequisite energy requirement.
18. PMLTC further submitted that due to the above-referred reasons NTDC and Company have agreed to extend the RCOD from March 01, 2021 to September 01, 2021 through MOU dated February 18, 2021. The same was endorsed by ECC vide its above referred decision after which the TSA, O&M and IA was amended through Addendum No. 1.
19. In view of the above the Company requested the Authority to allow the period from March 01, 2021 to September 01, 2021 as Pre-COD period along with extension in RCOD. The same stance was reiterated during the hearing held on July 01, 2021.
20. The claim of extension in RCOD of PMLTC was supported by PPIB and NTDC during the hearing.

Discussion and Decision of the Authority:

21. In the instant modification petition, the Petitioner is requesting to amend RCOD from March 01, 2021 to September 01, 2021 and allow the aforesaid period as Pre-COD period.
22. The Authority considered the submissions of the Petitioner and documents submitted by the Company and NTDC in support of its claim, The Authority observed that defects in transmission line was acknowledged by both the parties i.e. NTDC and PMLTC in MOM dated November 30, 2020. Even then, certificate of readiness was issued by PMLTC's Engineer M/s. CESI, on December 01, 2020. Subsequently, low power test was performed on December 02, 2020, which resulted in frequency oscillation in line. Accordingly, notice of dispute was issued by NTDC to PMLTC on December 11, 2020 wherein NTDC have highlighted certain contractual requirements which later on was resolved through MOU between both the parties on February 18, 2021. The Authority also noticed that NTDC was also unable to provide total capacity of 4400MW for the testing of the transmission line on high power.
23. PPIB stated during the hearing that due to pandemic, performance and contractual obligations were not fulfilled in time. Accordingly legal battle was started amongst the Companies i.e. NTDC and PMLTC. In this scenario PPIB, MOE, BoD of NTDC and PMLTC have agreed to defer / delay the actual COD for six months to make it workable for everyone. In this scenario MOU was signed with mutual consent of both parties on February 18, 2021.
24. The Authority observed that in its original decision, both parties PMLTC and NTDC were directed to ensure timely completion of their transmission line through fulfillment of their contractual responsibilities. However, lack of fulfillment of the contractual obligations under TSA has been acknowledged by both parties through MOU dated February 18, 2021.

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25. The Authority also examined the extension provisions of RCOD under TSA pursuant to Section 6.1, Section 6.5, Section 6.6(c), Section 7.7, Section 8.1(b), or Section 8.3(a)(ii) of TSA or by reason of a Force Majeure Event. However, no such event has been occurred.
26. Under the Policy Framework for Private Sector Transmission Line Projects, 2015, security package comprising of TSA and IA was prepared by the GOP for the private investors. Therefore, the amendments in security packages i.e. TSA, IA etc was required to be approved by the ECC. Accordingly once the MOU was signed by both parties, the amendments in TSA and IA was approved by the ECC through its decision dated March 31, 2021 which is the requirement under the Policy Framework and is independent of regulatory function. Ministry of Energy (MOE) in its letter dated August 02, 2021 also highlighted that **NEPRA as a regulator may conduct its full due diligence as to quantum and basis of payment so as to strike a balance between interests of NTDC, consumers and PMLTC.** Here it is also pertinent to mention that in order to protect the end-consumer from inefficiency, cost overrun due to delay in completion of the project during given time line, as a matter of principle, NEPRA has never allowed the extension in RCOD with allied costs to any licensee except in the cases of Force Majeure Events (FME) declared by the contracting parties i.e. Power Producer and Power Purchaser and approved by the GOP.
27. Keeping in view the above, the claim of PMLTC for extension in RCOD is not justified, therefore, is not allowed to the Company. However, PMLTC and NTDC are required to fulfil their respective contractual obligation for performing the low power test, high power tests, trial run test etc within the time agreed between the parties before September 01, 2021. PMLTC and NTDC indicated that, for the aforementioned period there is no NEPRA approved Transmission Service Charge (TSC) for utilization of the transmission line. Accordingly any TSC to be allowed for this period has been discussed under the relevant issue.

Issue # 02: Whether the request of PMLTC to approve the payment and testing mechanism as stated in Transmission Service Addendum Agreement and Implementation Addendum Agreement is justified?

Petitioner's Submission:

28. The petitioner requested to approve the payment and testing mechanisms stated in the TSA Addendum Agreement and IA Addendum Agreement.

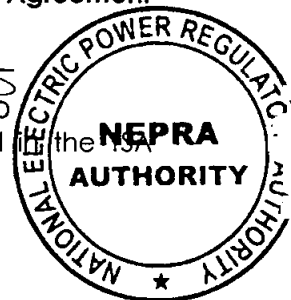
Discussion and Decision of the Authority:

29. The Authority while considering the request of PMLTC noticed that testing procedures, schedules, demonstration protocols and payment mechanism are obligated to be agreed between Parties (NTDC, PMLTC & IE) therefore NEPRA is nothing to do in this perspective.

Issue # 03: Whether the request of PMLTC to allow the Transmission Service Charge (TSC) on maximum demonstrated capability and revenue loss during Pre-COD period as an exceptional cost item within the Project cost at the time of COD adjustment is justified?

Petitioner's Submissions:

30. The petitioner in its tariff modification petition has requested to determine the Transmission Service Charge ("TSC") for the Pre-COD period on maximum demonstrated capability. The Petitioner requested to allow revenue loss adjustment during Pre-COD period in the project cost as an exceptional cost item at the time of COD adjustment.
31. The petitioner further submitted that NTDC and the Company agreed that during the period from March 01, 2021 to the extended COD i.e. September 01, 2021, the Project will transmit the power from Matari Converter Station to Lahore Converter Station on the basis of the maximum demonstrated capability as a result of low and high power tests. In addition, NTDC undertakes to



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provide 2,200 MW on either of the monopole by May 01, 2021 for high power test after successful commissioning with low power. The petitioner submitted that NTDC and the Company agreed to approach jointly to the Authority for determination of tariff as per Clause V of the MoU and Section 5.1 of TSA Addendum Agreement which stated as follows:

"..... the detailed tariff payment during Pre-COD period (from March 01, 2021 to August 31, 2021) shall be paid as per the maximum demonstrated capability successfully tested (during low and high power test) in accordance with **"NEPRA tariff determination dated 4th December 2018 for the first year**, subject to approval of NEPRA" for which both NTDC & PMLTC will go to NEPRA for final approval with assistance of PPIB."

32. According to the Petitioner, Section IV Clause (xxiv) of Tariff Determination dated December 04, 2018 which stated that:

"Pre-COD energy transmission is allowed on terms and conditions to be mutually agreed and mentioned in Transmission Service Agreement (TSA). The Transmission Service Charge however **should not exceed the rates as approved by the Authority in this tariff determination.**"

33. The Petitioner requested to allow following TSC based on indexed first year tariff:

Pre-COD Transmission Services Charge Components	Reference tariff as per Amended Modified Tariff Determination	Revised Jan-Mar 2021
Transmission Services Charge (Rs./kW/Hour)		
Foreign O&M	0.0441	0.0733
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	0.0630
Return on Equity	0.1680	0.2588
Return on Equity during Construction	0.0388	0.0598
Loan Repayment	0.3038	0.4865
Interest Charges	0.2189	0.2921
Sinosure	0.0250	0.0382
Total	0.9202	1.3742
Indexation Values		
Exchange Rate (Rs./USD)*	104.40	160.80
US CPI (All Urban Consumers)**	241.38	260.47
CPI General - Local**	207.30	269.27
6 Month LIBOR*	1.14%	0.25763%

* Exchange rate and 6-M LIBOR are based on values at December 31, 2020.

** US CPI for the month of December 2020. Since Local CPI has been discontinued post June 2020, Local CPI for the month of June 2020 has been adopted. It is requested that it shall remain subject to readjustment retrospectively once an alternative index for Local CPI as announced by NEPRA.

34. PMLTC submitted that as per the TSA and TSA Addendum Agreement, the Company will invoice to NTDC, as per certificate issued for the low power test and high power test above instead of Design Transmission Capability of 4,000 MW. PMLTC further submitted that its TSC in the Amended Modified Tariff Determination has been worked out on the basis of Design Transmission Capability of 4,000 MW. According to PMLTC this will result in a serious loss to the Company of approximately Rs. 14 billion calculated on the assumption that NTDC provides the necessary power to the Company for relevant testing as agreed in the MoU and TSA Addendum Agreement on time.

35. The petitioner submitted that since it is unable to commission the Project at RCOD and it is also unable to recover the tariff based on Design Transmission Capability of 4,000 MW, therefore, the

Authority may please approve any loss incurred by the Company till the actual COD as an exceptional cost item within the Project cost. The loss may be calculated by the Authority as follows:

Loss due to delay in RCOD	=	(4000MW-prevailing tested capacity) × Pre-COD Transmission Service Charges adjusted by NEPRA
Where:		
Pre-COD Transmission Service Charge	:	Total Transmission Service Charge as per the Tariff Approval
Prevailing Tested Capacity	:	Maximum Demonstrated Capability successfully tested (during low and high power test) based on the terms of the MoU and TSA Addendum Agreement

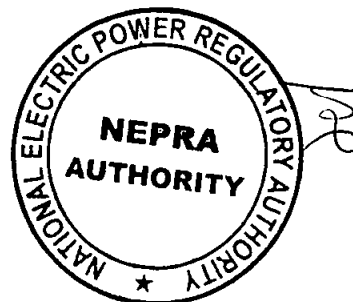
Submission of PMLTC during the hearing:

36. With reference to the tariff request on maximum demonstrated capacity basis, CFO PMLTC during the hearing submitted that tariff has been claimed on the basis of capacity instead of generation since the Company can only provide availability of transmission line and not the energy. The Petitioner in support of its claim referred the Section 21 of the Policy Framework for Transmission Line Projects 2015 which states that "the sponsor will be insulated from uncertainty with daily dispatches and will be paid TSC subject to availability of the transmission line to its full committed power carrying capacity". The Petitioner also referred the Section 24 of the aforesaid GOP Policy which states that "the TSC will be due and paid whether or not any power is transmitted to the transmission line subject to the availability of the transmission line to its full firm carrying capacity. In case the transmission line is not available to its full power transmission capacity during a particular period, a proportionally reduced payment shall be made for such period".
37. The CFO PMLTC during the hearing also submitted that the low power test and higher power test have been conducted on March 17, 2021 and June 05, 2021.
38. The petitioner requested that the one-time adjustment, indexation adjustments and other adjustments/pass-through to be made/applicable at actual COD according to the Tariff Determination, will cover the period of both the original construction period and Pre-COD period.

Comments of NTDC:

- i. Transmission Service Charge (TSC)
39. NTDC during the hearing submitted that the low power test have been carried out upto 800 MW and high power test have not been confirmed by the International Consultant. NTDC further stated that during testing the energy delivered will be free of cost because it is considered as testing energy but after completion of successful low power test till high power test and then till COD the energy transmitted through line needs some tariff. Accordingly it was decided that the Company will go to NEPRA for determination of tariff.
40. NTDC further informed that it has partially taken over the line only upto the extent of patrolling of line and theft prevention, however, any technical repair and replacement shall fall under the scope of PMLTC till COD of the project. NTDC further submitted that the complete and formal take over of the transmission line shall be executed on COD of the project as per the provisions of TSA and O&M service agreement. **NTDC also submitted that the extended period of six months in achieving RCOD shall not result in increase in tariff for the project.**

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ii. Revenue Loss

41. NTDC during the hearing did not support the stance of PMLTC for adjustment of revenue loss at the time of COD.

Comments of PPIB:

i. Transmission Service Charge (TSC)

42. PPIB stated during the hearing that due to pandemic, performance and contractual obligations were not fulfilled in time. Accordingly legal battle was started amongst the Companies i.e. NTDC and PMLTC. In this scenario PPIB, MOE, BoD of NTDC and PMLTC have agreed to defer / delay the actual COD for six months to make it workable for everyone. In this scenario MOU was signed with mutual consent of both parties on February 18, 2021.
43. PPIB stated that NEPRA has not allowed any specific tariff in the decision therefore whenever there is any specific situation different from the NEPRA tariff determination, that has to be approved by NEPRA.

ii. Revenue Loss

44. PPIB during the hearing did not support the stance of PMLTC for adjustment of revenue loss at COD. PPIB further stated the risks during construction and operation are covered in insurance coverage.

Comments of MOE

i. Transmission Service Charge (TSC)

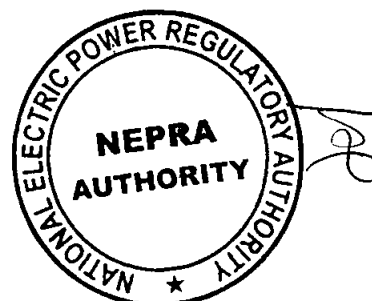
45. Ministry of Energy vide letter dated August 02, 2021 stated that MOU dated February 18, 2021 agreed between NTDC and PMLTC an Addendum Agreement No. 1 to TSA was executed between both parties after approval of the Federal Government. MOE further stated that as per Section 5.1(C) of the Amended TSA, NTDC and PMLTC have agreed that the detailed tariff payment during pre-COD period (from March 01, 2021 to August 31, 2021) shall be paid as per the maximum demonstrated capability successfully tested (during low and high power test) in accordance with "NEPRA Tariff determination December 04, 2018 for the first year, subject to approval of NEPRA". One fact that clearly emanates from the said clause is that any payment during the pre-COD period is subject to approval by NEPRA which essentially means that **NEPRA as a regulator may conduct its full due diligence as to quantum and basis of payment so as to strike a balance between interests of NTDC, consumers and PMLTC.**

ii. Revenue Loss

46. With respect to the revenue loss, MOE stated that the Amended TSA does not envisage adjustment for any revenue shortfall over and above what was agreed thereunder during pre-COD period. Needless to mention that NEPRA in its tariff determination dated December 04, 2018 at Section 6 Clause IV sub-clause xxiv has already decided that "Pre-COD energy transmission is allowed on terms and conditions to be mutually agreed and mentioned in TSA. The Transmission Service Charge however should not exceed the rates as approved by the Authority in its tariff determination.

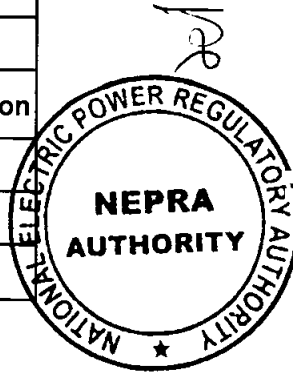
Discussion and Decision of the Authority:

47. The claim of PMLTC has been summarized as under:





Claimed by PMLTC						
Period (Months)	TSC for Pre COD period			Loss of Revenue		
	MW	Indexed Tariff Rs./kW/hr	Rs. in billion	MW	Indexed Tariff Rs./kW/hr	Rs. in billion
2	800	1.3742	1.605	3200	1.3742	6.420
4	2200	1.3742	8.828	1800	1.3742	7.223
6			10.433			13.643



Loss of Revenue:

- As decided above, the Authority has not allowed the extension in RCOD in the instant case. The request of the PMLTC for allowing revenue shortfall in project cost at COD stage is neither in line with MOU and is also contrary to the decision of the Authority dated December 4, 2018. Accordingly the request of PMLTC on this account was neither supported by the PPIB nor NTDC during the hearing. Similarly MOE vide letter dated August 02, 2021 has also clarified that this is not in line with the MOU and approval of the Federal Government.
- Keeping in view the aforementioned facts, the Authority does not accept the request of the Petitioner for allowing adjustment of revenue loss in project cost at COD stage.

Transmission Service Charge (TSC)

- The Authority considered the request of PMLTC for allowing first year tariff as TSC. The decision of the Authority dated December 04, 2018 pertaining to Pre-COD sales is reproduced as under:

"Pre-COD energy transmission is allowed on terms and conditions to be mutually agreed and mentioned in Transmission Service Agreement (TSA). The Transmission Service Charge however should not exceed the rates as approved by the Authority in this tariff determination."
- Both parties i.e. NTDC and PMLTC have agreed to utilize the transmission line for the period under discussion and accordingly have approached NEPRA for the determination of TSC for the same period.
- Keeping in view the precedence available, MOU signed and comments of relevant stakeholders, the relevant costs components in the instant case are O&M (including NTDC local component) and insurance cost which works out as Rs. 0.1584/kW/hr. Accordingly the same tariff is allowed as TSC which will be applicable for 800MW maximum demonstrated capacity as certified by independent Engineer vide its reports dated: 07-04-2021 as a result of low power test for the period from March 18, 2021 till June 05, 2021 and for 2200MW maximum demonstrated capacity as certified by independent Engineer vide its reports dated: 04-07-2021 as a result of high power test for the period from June 06, 2021 till September 01, 2021.

Issue # 04: Whether the request of PMLTC regarding interim indexation of reference tariff components on provisional basis till the time the final one-time adjustment of Amended Modified Tariff Determination is justified?

Petitioner's Submission:

- The petitioner has submitted that there has been a significant change in the indexation parameters specifically the devaluation of Pak Rupee from PKR/USD 104.40 to PKR/USD 160.80, changes of local CPI from 207.30 to 269.27 and US CPI from 241.38 to 260.47 etc since issuance of Tariff Determination. PMLTC submitted that the consequence of the changes in indexation parameters is substantial and detrimental to the obligations of the Company towards its lenders, contractors and shareholders, therefore it is requested that till the time the final one-time adjustment of Tariff Determination at actual COD is processed and approved by the Authority,

interim indexations on provisional basis are provided at the applicable PKR/USD, US CPI, Local CPI and LIBOR rates prevailing for the relevant quarters as opposed to the rates provided in the Tariff Determination.

Comments of Ministry of Energy (MOE)

54. MOE vide letter dated August 02, 2021 stated that there is no mention of Pre-COD tariff indexation either in amended TSA or the ECC summary / decision. Therefore, NEPRA may consider the case of indexation for the tariff payments during Pre-COD period on merit as per NEPRA Tariff determination, regulations and procedure.

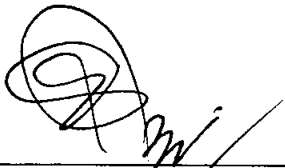
Discussion and Decision of the Authority:

55. The Authority considered the request of PMLTC and observed that the stance of PMLTC has not been supported by NTDC, PPIB and MOE. In view thereof the stance of indexation before COD is not legitimate in the instant case.
56. As per decision of the Authority, the reference tariff of PMLTC shall become applicable after COD. Accordingly once the COD is achieved and PMLTC submits its request for true-up/adjustment of the relevant tariff components to NEPRA, the indexation on this account can be considered by the Authority at that point in time.

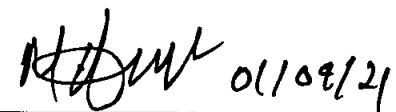
Order:

57. In accordance with the provision of Section 7 read with Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, the Authority hereby approves Transmission Service Charge (TSC) of Rs. 0.1584/kW/hr (O&M component including NTDC local component and insurance component) for the period from March 18, 2021 till June 05, 2021 for 800MW and for the period from June 06, 2021 till September 01, 2021 for 2200MW maximum demonstrated capacity as certified by independent Engineer.
58. All other terms and condition of tariff determination dated December 04, 2018 shall remain intact.

Authority



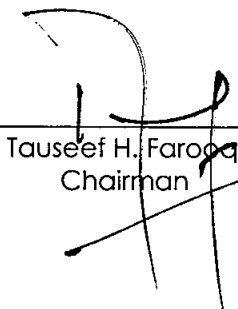
Rehmatullah Baloch
Member



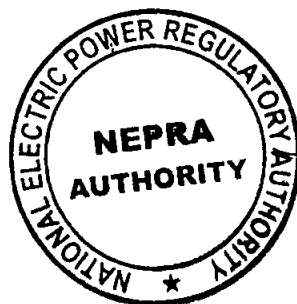
Engr. Maqsood Anwar Khan
Member

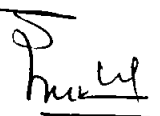


Engr. Rafique Ahmed Shaikh
Member



Tauseef H. Farooqi
Chairman





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