



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/ADG(Tariff)/TRF-346/ST&DCPL-2015/33473-33475
August 5, 2021

Subject: Decision of the Authority in the matter of Interim Relief of Tariff Adjustment at Commercial Operation Date (COD) Stage Pursuant to Rule 4(7) of the NEPRA Tariff (Standards & Procedure) Rules, 1998 [Case No. NEPRA/TRF-346/ST&DCPL-2015]

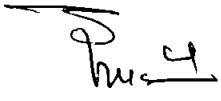
Dear Sir,

Please find enclosed herewith the subject Decision of the Authority (02 Pages) in the matter of Interim Relief of Tariff Adjustment at Commercial Operation Date (COD) Stage pursuant to Rule 4(7) of the NEPRA Tariff (Standards & Procedure) Rules, 1998 in Case No. NEPRA/TRF-346/ST&DCPL-2015.

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 Order Part of the Authority's Decision is to be notified in the official Gazette.

Enclosure: As above


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(Syed Safer Hussain)

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

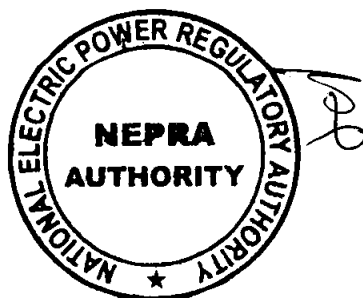
CC:

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 INTERIM RELIEF OF TARIFF ADJUSTMENT AT COMMERCIAL OPERATION DATE (COD) STAGE PURSUANT TO RULE 4 (7) OF THE NEPRA TARIFF (STANDARDS & PROCEDURE) RULES - 1998

1. Sindh Transmission & Dispatch Company (Private) Limited (hereinafter "STDC" or "the Petitioner") is a company established by Government of Sindh ("GoS"). STDC developed a 132kV transmission line to connect the generation facilities of Sindh Nooriabad Power Company (Pvt.) Limited (SNPCL) and Sindh Nooriabad Power Company Phase-II (Pvt.) Limited (SNPCL-II) at Nooriabad to KDA-33 Grid Station of K-Electric Limited. STDC was granted Special Purpose Transmission License No. SPTL/02/2015 by NEPRA dated December 17, 2015.
2. The tariff for the abovementioned transmission line was determined by NEPRA on February 10, 2017 which was subsequently reviewed through decision dated June 14, 2018. Later, the losses and invoicing mechanism were revised through NEPRA decisions dated January 9, 2020, October 22, 2020 and April 6, 2021.
3. STDC vide letter dated June 11, 2021 submitted that it had achieved Commercial Operation Date ("COD") on January 18, 2018. Vide the said letter, the Petitioner also requested for one-time adjustment in the relevant tariff components of its transmission tariff to be made in with the above Authority's above referred decisions.
4. Subsequently, STDC vide letter dated June 18, 2021 filed for Interim Relief requesting the Authority to allow indexation in its tariff components for the period from January 2018 to June 2021, which was later extended till December 31, 2021. STDC submitted that it is invoicing on reference tariff of June 14, 2018 whereas there has been significant increase in inflation due to which the O&M and other cost of the company have risen which is impacting the return on equity of the company. The petitioner also submitted that as COD tariff adjustment shall take time for finalization so the indexation of tariff requested under subject petition shall provide the comfort the company to manage its costs. STDC also submitted that it will refund any excess amount that is finally determined to be refundable/payable by the company after determination of the final NEPRA approved COD stage tariff by NEPRA.
5. The Authority considered the subject request of STDC. It was observed that the COD adjustment has recently been filed by STDC which will take some time for finalization as the same requires comprehensive process of verification and analysis. It was also considered that the reference tariff was determined based on the inflation and cost parameters of 2017-18 which have changed considerably. In view thereof, the Authority has decided to allow indexation, as interim relief, in the reference tariff of STDC as per the mechanism prescribed in the tariff determination. This relief is being allowed till the time COD adjustment case is finalized by the Authority, based on which refund/adjustment shall also be made in the tariff allowed under interim relief.
6. Order
- 6.1 In terms of Rule 4(7) of the NEPRA (Tariff Standards and Procedure) Rules, 1998, Sindh Transmission & Dispatch Company (Private) Limited (hereinafter "STDC") is hereby allowed the application of the following tariff w.e.f. COD subject to the refund/adjustment of any difference in tariff so collected by the petitioner as compared to the tariff which will subsequently be adjusted in COD tariff adjustment decision by the Authority:






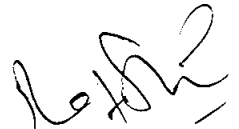
Tariff Component	Ref Tariff	Revised 2018		Revised 2019		Revised 2020		Revised 2021	
		Jan-June	Jul - Dec	Jan-June	Jul - Dec	Jan-June	Jul - Dec	Jan-June	Jul - Dec
Fixed Capacity Purchase Price (Rs./kW/hour)									
O&M	0.1411	0.1528	0.1528	0.1623	0.1623	0.1824	0.1824	0.1970	0.1970
Insurance	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192
Return on Equity	0.0935	0.0935	0.0935	0.0935	0.0935	0.0935	0.0935	0.0935	0.0935
Debt servicing	0.2127	0.2139	0.2250	0.2732	0.2997	0.3007	0.2255	0.2261	0.2288
Total	0.4665	0.4795	0.4906	0.5482	0.5747	0.5958	0.5206	0.5357	0.5385
Indexation Values									
Kibor Rate	6.12%	6.21%	7.04%	10.80%	13.11%	13.49%	7.24%	7.35%	7.69%
CPI (Gen) Local	203.28	220.20	220.20	233.78	233.78	262.82	262.82	140.86	140.86

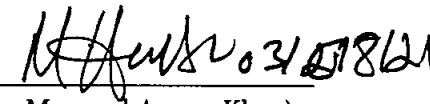
Note: For O&M indexation of January to December 2021 NCPI of December 2019 (130.45) has been used. The tariff components for January 2020 shall be used as revised reference for future indexations.

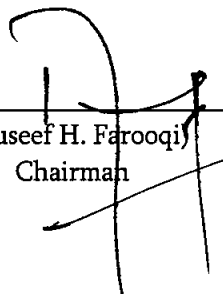
6.2 The Order part is to be notified in the official gazette, in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

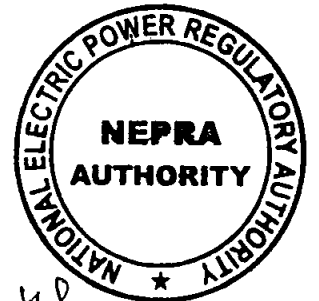
AUTHORITY

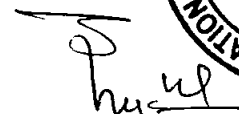

2/2/8/21
(Rehmatullah Baloch)
Member


(Engr. Rafique Ahmed Shaikh)
Member/VC


(Engr. Maqsood Anwar Khan)
Member


(Tauseef H. Farooqi)
Chairman




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