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PART II

Statutory Notifications (S. R. O.)

GOVERNMENT OF PAKISTAN
MINISTRY OF ENERGY
(Power Division)

NOTIFICATION

Islamabad, the 17th December, 2019

S. R. O. 1594(I)/2019.— In pursuance of sub-section (7) of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), and in supersession of Notification No. S.R.O 1245(I)/2019 dated, the October 17, 2019, the Federal Government is pleased to notify the National Electric Power Regulatory Authority's is allowed to charge following revised reference tariff *w.e.f.* 13th July 2017 for net capacity of 300.959 MW for sale of power to Central Power Purchasing Agency (Guarantee) Limited (CPPA-G), namely:—

Price: Rs. 10.00

[2021(2019)/Ex. Gaz.]

"Order

Tariff Components	Revised Reference Year 1-13	Revised Reference Year 14-20	Revised Reference Year 21-35	Indexation
Capacity Charge (Rs./kW/Hour)				
O & M (Local):				
Establishment Charges	0.2304	0.2304	0.2304	Local CPI
Regulatory Fees	0.0084	0.0084	0.0084	Local CPI
Engineering Support Services	0.3879	0.3879	0.3879	Local CPI
Total O&M (Local)	**0.6285**	**0.6285**	**0.6285**	
O & M (Foreign):				
Refueling Outage	0.2712	0.2712	0.2712	US CPI, Exchange Rate
Cost of Spares	0.3262	0.3262	0.3262	US CPI, Exchange Rate
Total O&M (Foreign)	**0.5974**	**0.5974**	**0.5974**	
Provision for Waste Disposal Fund	0.0358	0.0358	0.0358	----
Provision for Decommissioning Fund	0.0569	0.0569	0.0569	----
Return on Equity	0.3242	0.3242	0.3696	Exchange Rate
ROEDC	0.0155	0.0155	0.0155	Exchange Rate
Debt Servicing				
PSDP Loan	1.0101	1.0101	-	
PBC Loan	0.4538	-	-	Exchange Rate
GOP Relent Loan	1.0298	-	-	
Interest During Construction (IDC)				
IDC PSDP Loan	0.1720	0.1720	-	----
IDC PBC Loan	0.0464	-	-	Exchange Rate
IDC GOP Relent Loan	0.2819	-	-	----
Total Capacity Charge	**4.6523**	**2.8404**	**1.7037**	
Variable Charge (Rs./kWh)				
Fuel Cost	0.8037	0.8037	0.8037	Adjusted as per actual at each load
Irsa levy	0.0050	0.0050	0.0050	Pass- through item
Total Variable Charge	**0.8087**	**0.8087**	**0.8087**	

1.1. Fixed O&M components of capacity charge would be adjusted upward by CCAF for any generation in excess of 80% during a month. CCAF will be calculated according to the following formula;

CCAF = (Actual Units delivered/ Unit at 80% plant factor)* Fixed O&M Components in Rs./kW/hr* (Actual Units generated-Units at 80% plant factor)

1.2. In case the plant availability drops below the minimum threshold of 70%, the relevant penal clause *i.e.* Liquidity Damages (LDs), agreed with the EPA will be applied instead of invoking CCAF.

1.3. Full capacity payments will be made during the period of schedule outage, maintenance period and force-majeur conditions. The details of scheduled maintenance period would be determined within the PPA as mutually agreed between the buyer and seller subject to approval by the Authority. In case of a dispute with respect to matters of scheduled outage/maintenance outage, force-majeur condition, the decision of the Authority will be final.

1.4. The Following adjustments in tariff shall be allowed:

- Fuel cost will be adjusted on each reloading based on actual payments made and capitalization thereof. Any over/under recovery of fuel cost due to variation of actual power generated from estimated generation for that cycle will be adjusted at the end of that cycle/start of the next reload.

- Local O&M cost will be indexed with local CPI inflation while foreign O&M cost will be indexed with US CPI as well as change in PKR/USD exchange rate. Indexation due to local CPI will be made twice a year on January 01 and July 01. These will be on the basis of CPI as notified by the Federal Bureau of Statistics for the month of November and May each year respectively.

- O&M (Foreign) will be indexed with US CPI issued by US Bureau of Labor Statistics twice a year on January 01 and July 01. These will be on the basis of CPI as notified by US Bureau of Labor Statistics for the month of November and May each year respectively.

- The Indexation for variation in dollar/rupee exchange rate will be made twice a year on January 01 and July 01 on the basis at revised TT & OD selling rate of US Dollar as notified by the National Bank of Pakistan.

- The mode of indexation for O&M (Local) O&M (Foreign) will be as under:

<u>Indexation of Local O&M</u>

LO&M (Rev)	=	LO&M $_{(Ref)}$ * CPI $_{(Rev)}$ / CPI $_{(Ref)}$
Where :	=	
LO&M (Rev)	=	Revised applicable O&M (local) component of Capacity Charge in (Rs./ kW/hr)

LO&M (Ref)		0.6285/kW/hr
CPI (Rev)	=	The revised Local Consumer Price Index
CPI (Ref)	=	The Reference Consumer Price Index as notified by Federal Bureau of Statistics for the month of May 2011 *i.e.* 151.33

Indexation of Foreign O&M

FO&M (Rev)	=	FO&M (Ref) * US CPI (Rev)/225.964 * ER (Rev)/85.35
Where :	=	
FO&M (Rev)	=	the revised applicable fixed O&M (Foreign) component
FO&M (Ref)	=	The reference fixed O&M (Foreign) component *i.e*. 0.5974/kW/hr
US CPI (Rev)	=	The revised US Consumer Price Index
US CPI (Ref)	=	225.964 US CPI for the month of May 2011 as notified by the US Bureau of Labor Statistics
ER (Rev)	=	the revised TT & OD selling rate of US Dollar as notified by the National Bank of Pakistan

- Principal and IDC amounts of preferential buyer's credit loan will be indexed with PKR/USD exchange rate.

- Equity and ROEDC will also be indexed with PKR/USD exchange rate.

- Irsa Levy and all taxes and levies etc. will be treated as pass-through items and will be adjusted based on actual payments.

Annex-I

Chasma Nuclear Power Plant Uint-II
Revised Capacity Charge Part of Tariff due to Intial Dependable Capacity

Tariff Components	**Reference**	**Revised Reference Year 1-13**	**Revised Reference Year 14-20**	**Revised Reference Year 21-35**
Capacity Charge(Rs./kW/Hour)				
O & M (Local):				
Establishment Charges	0.2311	0.2304	0.2304	0.2304
Regulatory Fees	0.0084	0.0084	0.0084	0.0084
Engineering Support Services	0.3909	0.3897	0.3897	0.3897
Total O&M (Local)	**0.6304**	**0.6285**	**0.6285**	**0.6285**
O & M (Foreign):				
Refueling Outage	0.2721	0.2712	0.2712	0.2712
Cost of Spares	0.3272	0.3262	0.3262	0.3262
Total O&M (Foreign))	**0.5993**	**0.5974**	**0.5974**	**0.5974**
Provision for Waste Disposal Fund	0.0359	0.0358	0.0358	0.0358

Provision for Decommissioning Fund	0.0571	0.0569	0.0569	0.0569
Return on Equity	0.3252	0.3242	0.3242	0.3696
ROEDC	0.0155	0.0155	0.0155	0.0155
Debt Servicing				
PSDP Loan	1.0133	1.0101	1.0101	-
PBC Loan	0.4553	0.4538	-	-
GOP Relent Loan	1.0331	1.0298	-	-
Interest During Construction (IDC)				
IDC PSDP loan	0.1725	0.1720	0.1720	-
IDC PBC loan	0.0465	0.0464	-	-
IDC GOP Relent loan	0.2828	0.2819	-	-
Total Capacity Charge	**4.6670**	**4.6523**	**2.8404**	**1.7037**

[No.PII- 4(38)/2004(C-2).]

SYED MATEEN AHMED,
Section Officer (Tariff).

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