PART II
Statutory Notifications (S. R. O.)

GOVERNMENT OF PAKISTAN
MINISTRY OF ENERGY
(Power Division)

NOTIFICATION
Islamabad, the 11th June, 2019

S. R.O. 621(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), the Federal Government is pleased to notify the following reference tariff for delivery of electricity to the power purchaser for the International industries limited upto 4 MW namely:—

<table>
<thead>
<tr>
<th>Description</th>
<th>Rs./kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel Cost Component</td>
<td>5.9068</td>
</tr>
<tr>
<td>Total O&amp;M Cost Component:</td>
<td>1.6504</td>
</tr>
<tr>
<td>Variable O&amp;M</td>
<td>0.6600</td>
</tr>
<tr>
<td>Fixed O&amp;M</td>
<td>0.4966</td>
</tr>
<tr>
<td>ROE</td>
<td>0.3871</td>
</tr>
<tr>
<td>Insurance</td>
<td>0.1067</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7.5572</strong></td>
</tr>
</tbody>
</table>

(1123)

Price: Rs. 5.00

[890(2019)/Ex. Gaz.]
1.1. **Tariff Adjustments / Indexations**

The reference tariff is subject to following adjustments / indexations:

1.2. **Adjustment on account of Gas Price Variation**

In future the fuel cost component will be subject to gas price variation as notified by OGRA or any other body for captive power producers from time to time according to the following mechanism:

\[
FCC_{(Rev)} = FCC_{(Ref)} \times \frac{GP_{(Rev)}}{GP_{(Ref)}}
\]

Where:
- \(FCC_{(Rev)}\) = Revised Fuel Cost Component applicable for the billing cycle
- \(FCC_{(Ref)}\) = Reference FCC on Gas is Rs. 5.9068/kWh.
- \(GP_{(Rev)}\) = Revised Ex-GST HHV gas price applicable for the billing cycle as notified by OGRA for captive power plants
- \(GP_{(Ref)}\) = Reference Ex-GST HHV Gas price is Rs. 600/MMBTU

1.3. **Adjustment on Account of Inflation**

The O&M cost shall be subject to indexation every two years in the month of April on the basis of CPI (General) as published by Pakistan Bureau of Statistics for the preceding month of March as per the following mechanism:

\[
O&M_{(Rev)} = O&M_{(Ref)} \times \frac{CPI_{(Rev)}}{CPI_{(Ref)}}
\]

Where:
- \(O&M_{(Rev)}\) = Revised Variable and Fixed O&M components of tariff
- \(O&M_{(Ref)}\) = Reference Variable and Fixed O&M components of tariff of Rs. 0.66/kWh and Rs. 0.4966/kWh respectively
- \(CPI_{(Rev)}\) = Revised CPI (General) index as published by Pakistan Bureau of Statistics
- \(CPI_{(Ref)}\) = Reference CPI (General) of 220.25 for April 2017

1.4. Fixed cost has been assessed on the basis of 9 month plant operation, in case of plant operating in three non-gas months; the power producer will be entitled only the fuel cost component and variable O&M.

1.5. In case Gas Infrastructure Development Cess (GIDC) is paid by the power producer to the fuel supplier, the same shall be allowed and the Fuel Cost Component shall be adjusted accordingly.

1.6. The term of the contract shall be three (3) years with effect from 18th April 2017.

1.7. The Authority has decided to grant permission for procurement of power as per the above approved generation tariff. KE is directed to incorporate the same in the Power Acquisition Contract and submit the same in line with the Regulation 5(1) of the IPPR-2005.

[No. Tariff/IIL-2018.]

SYED MATEEN AHMED,

*Section Officer (Tariff).*