



No. PPDCL/ 358 /2026

**PUNJAB POWER DEVELOPMENT COMPANY
LIMITED**Government of the Punjab, Energy Department
2-A Zafar Ali Road Gulberg-V, Lahore

Dated: 24 / August / 2026

The Registrar,
National Electric Power Regulatory Authority,
NEPRA Tower, Ataturk Avenue (East), G-5/1,
Islamabad

**Subject: APPLICATION FOR TARIFF MODIFICATION OF 5.38 MW CHIANWALI
HYDROPOWER PLANT (CHP) OF PPDCL**

The Punjab Power Development Company Limited (PPDCL), through its letter No. PPDCL/773-A/2025 dated 31.07.2025 has submitted an application for modification of Reference Tariff of 5.38 MW Chianwali Hydropower Plant (CHP), which is still pending for decision of the Authority.

Meanwhile as proposed by the National Task Force (NTF), a memorandum of understanding (MOU) has been signed by PPDCL with GEPCO (Power Purchaser) dated 19.08.2026 (**Copy attached**), wherein at section 2.2, it has been agreed to change/ amend certain terms and conditions of the Energy Purchase Agreement (EPA) to align it with the MOU. In the said MOU it has also been agreed that the Seller shall develop a tariff modification request to be submitted to NEPRA as a necessary condition to bring into effect the terms of section 2.2 of the MOU. Hence this addendum is submitted to the already filed tariff modification application dated 31.07.2025 in respect of Chianwali Hydropower Plant.

The Terms & Conditions under section 2.2 of the MOU have been reproduced as under:

- 3342
27-8-26
- The Seller proposes the revision of the annual benchmark energy from 28.53 GWh to 17.381 GWh, based on various operational and technical considerations. In support of this revision, relevant evidence has been submitted to the National Electric Power Regulatory Authority (NEPRA), including, inter alia, data relating to annual canal closure days and changes in forced and scheduled outages. NEPRA shall review the matter on its merits, in consultation with the Seller, the power purchaser (GEPCO), and other relevant stakeholders, including the Punjab Irrigation Department, in order to determine whether the proposed revision to the annual benchmark energy is justified.
 - All Operations and Maintenance (O&M) cost components, whether fixed or variable, and irrespective of foreign or local origin, shall be indexed annually to the National Consumer Price Index (NCPI) only.
 - Being a Provincial Government-owned plant, the Water Use Charge payable to the Government of Punjab shall not form part of the tariff with effect from the Effective Date.
- 3342
27-8-26

Forwarded please:

☒ For nec. action	☐ For information
☐ DG (Lic.)	☐ DG (Admn/HR)
☐ SA (M&E)	☐ DG (CAD)
☐ DG (Tech.)	☐ DG (ATC)
☒ DG (Trf.)	☐ DG (Fin.)
☐ SLA	☐ Dir. (I.T)
☐ Consult (Tech.)	☐ Consult (CTBCM)

For kind information, please.

- Chairman
- M (Dev)
- M (Trf. & Fin)
- M (Tech)
- M (Law)

27-8-26

TARIFF DEPARTMENT

Dir (COD).....Dir (Hydro).....

Dir (DISCOs).....Dir (RE).....

Dir (Thermal).....Add Dir (T).....

Date: 27-8-26

- iv. The Seller agrees to waive, abandon, and relinquish all rights and claims it may have with respect to late payment interest as of 31st December 2025 from the Purchaser. For clarity, it includes the late payment charges that will arise from payments made up to 31st December 2025.
- v. The late payment charges under the Existing EPA shall be calculated at Three Month (03) KIBOR + 1% (prevailing on the Due Date of the invoice without any further variance/fluctuation) per annum on any amount payable in Rupees against Principal Invoices calculated for the actual numbers of days for which the relevant amount remains unpaid on the basis of 365 days year, without compounding, with effect from the Effective Date.

Through this addendum, PPDCL hereby makes request to the Authority to consider and approve the terms & conditions contained in section 2.2 of the MOU dated 19.08.2026 signed by PPDCL with GEPCO in respect of Chianwali Hydropower Plant.

For and on behalf of PPDCL



(Adnan Mudassar)
Chief Executive Office



**E-STAMP
(GOVERNMENT OF PUNJAB)**



PB-LHR-4AF6F7F5CF8A0FCC

PSID-40172608188710948

Rs 500/-

Five Hundred Rupees Only

Deed Name	: AGREEMENT OR MEMORANDUM OF AN AGREEMENT - 5(ccc)
First Party	: Punjab Power Development Company Ltd [3520223]
Second Party	: GEPCO [3520223792347]
Receipt	: Muhammad Naveed [35202-2379234-7]
Issue Date	: 18-Aug-2026, 03:53:18 PM
Stamp Duty Paid by	: Punjab Power Development Company Ltd [3520223792347]
Paid Through Challan	: 20265230F2E136DE

Please Write Below This Line

THIS MEMORANDUM OF UNDERSTANDING (the "MOU") is entered into at Islamabad on this 19 day of August 2026, by and between:

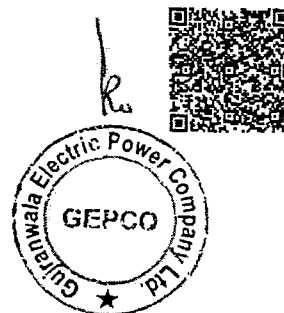
- (1) GUJRANWALA ELECTRIC POWER COMPANY, a company registered under the Companies Act, 2017, with its registered office located at 565-A Model Town, GEPCO Headquarter, GT Road, Gujranwala (the "Purchaser"); and
- (2) PUNJAB POWER DEVELOPMENT COMPANY LIMITED (the "Seller"), a company registered under the Companies Act, 2017, with its registered office located at 2-A, Zafar Ali Road, Gulberg V, Lahore.

(The Purchaser and the Seller may hereinafter individually be referred to as a "Party" and collectively, as "the Parties")

WHEREAS:

1. The Purchaser and the Seller entered into the Energy Purchase Agreement on 28th April 2023 (as amended from time to time) (the "Existing EPA"), pursuant where to, the Seller owns the Plant located at Chianwali (5.38 MW);

NOW THEREFORE; in consideration of the above mutual benefits to be derived and the representations and warranties, conditions and undertakings herein contained, the Parties hereby agree as follows:



1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless otherwise defined herein or if the context otherwise requires, all capitalized terms used in this MOU shall have the meanings assigned to them under the Existing EPA.

1.2 Interpretation

The rules of interpretation set out in the Existing EPA shall be applied in the interpretation of the terms and provisions of this MOU.

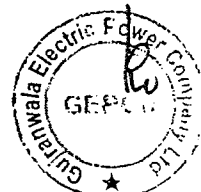
2. TERMS & CONDITIONS

2.1 Effective Date & Execution as an Agreement

This MOU shall become effective on _____ (the "Effective Date"), and shall be construed as an agreement and shall thereafter be legally binding between the Parties from the Effective Date.

2.2 Voluntary Amendment of the Existing EPA

- a. The Parties hereby agree to amend the Existing EPA as of the Effective Date. The Parties have agreed to the following terms and conditions which shall be incorporated in the "Amended EPA":
 - i. The Seller proposes the revision of the annual benchmark energy from **28.531 GWh to 17.381GWh**, based on various operational and technical considerations. In support of this revision, relevant evidence has been submitted to the National Electric Power Regulatory Authority (NEPRA), including, inter alia, data relating to annual canal closure days and changes in forced and scheduled outages. NEPRA shall review the matter on its merits, in consultation with the Seller, the power purchaser (GEPCO), and other relevant stakeholders, including the Punjab Irrigation Department, in order to determine whether the proposed revision to the annual benchmark energy is justified.
 - ii. All Operations and Maintenance (O&M) cost components, whether fixed or variable, and irrespective of foreign or local origin, shall be indexed annually to the National Consumer Price Index (NCPI) only.
 - iii. Being a Provincial Government-owned plant, the Water Use Charge payable to the Government of Punjab shall not form part of the tariff with effect from the Effective Date
 - iv. The Seller agrees to waive, abandon, and relinquish all rights and claims it may have with respect to late payment interest as of 31st December 2025 from the Purchaser. For clarity, it includes the late payment charges that will arise from payments made up to 31st December 2025.
 - v. The late payment charges under the Existing EPA shall be calculated at Three Month (03) KIBOR + 1% (prevailing on the Due Date of the invoice without any further variance/fluctuation) per annum on any amount payable in Rupees against Principal Invoices calculated for the actual number of days for which the relevant amount remains unpaid on the basis of 365 days year, without compounding, with effect from the Effective Date.



3. TARIFF MODIFICATION PETITION

- 3.1 The Seller shall develop a tariff modification request to be submitted to NEPRA as a necessary condition to bring into effect the terms of section 2.2 of this MOU (the "Tariff Modification Petition").
- 3.2 The Seller and the Purchaser shall, within fifteen (15) working days from the approval of this MOU from competent authority, file the Tariff Modification Petition before NEPRA. The revised tariff shall be effective from the date of notification (the "Revised Tariff Effective Date").
- 3.3 From the Effective Date, billing and invoicing shall be as per the revised tariff by NEPRA, pursuant to section 3.2 above; till then, the current tariff mechanism shall continue.

4. OVERRIDING EFFECT

The Agreement which shall be made in pursuance of this MOU shall override and have effect over all contracts and agreements between the Parties, prior to the Effective Date, notwithstanding any contract or arbitration agreement or provision to the contrary or otherwise, in any contract, including the Existing EPA, to which the Parties are or may be a party.

5. GOVERNING LAW

5.1 Governing Law

This MOU and the Agreement which shall be made in pursuance of this MOU shall be governed by and construed in accordance with the laws of Pakistan.

6. SUCCESSORS AND ASSIGNS

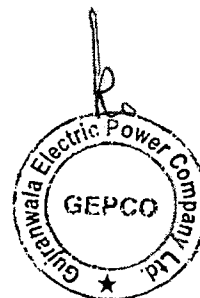
This MOU shall be applicable upon and inure to the benefit of, and be enforceable by, the respective successors, permitted assigns and transferees of the Parties hereto.

7. REPRESENTATION AND WARRANTIES

Each Party represents and warrants to and for the benefit of the other Party that it has full power and authority of entry into this MOU and the execution thereof will not require any further consent or approval of any Person.

8. COPIES OF THE AGREEMENT TO BE DEEMED ORIGINAL

This MOU will be prepared in duplicate and every copy of the MOU will be considered and deemed to be original.



IN WITNESS WHEREOF, the Parties have entered into this MOU in and on the date and place first above written.

For and on behalf of:

GUJRANWALA ELECTRIC POWER
COMPANY

By: *J. Rafique*

Name: IRFAN RAFIQUE
Director General (MIRAE)

Title: GEPCO HQ Gujranwala.

For and on behalf of:

PUNJAB POWER DEVELOPMENT
COMPANY LIMITED

By: *[Signature]*

Name: ADNAN MUNASSAR

Title: CEO

Witness: *[Signature]*

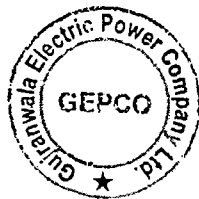
Name: Mahid Mahmood Javed

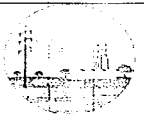
CNIC #: 34101-2425303-2

Witness: *[Signature]*

Name: Rana M. Nadeem

CNIC #: 35202-2244254-9



		GUJRANWALA ELECTRIC POWER COMPANY LIMITED	
Ph.#055-9200519-26 Fax:055 9200122 dgmirad@gepco.com.pk		OFFICE OF CHIEF EXECUTIVE OFFICER, GEPCO LTD. (Market Implementation Regulatory Affairs Department) WAPDA Rest House Peoples Colony Gujranwala.	
No. MIRAD/ 517-19		Forwarded please: ☒ For nec. action ☐ For information Dated 02/09/2026.	

The Registrar NEPRA,
NEPRA Tower, Attaturk Avenue (East),
G-5/1, Islamabad.

☒ DG (Lic.)	☐ DG (Admn/Hk)
☐ SA (M&E)	☐ DG (CAD)
☒ DG (Tech.)	☐ DG (ATC)
☐ DG (Trf.)	☐ DG (Fin.)
☐ SLA	☐ Dir. (I.T)
☐ Consult (Tech.)	☐ Consult (CT&CM)

For kind information, please.
☒ 1. Chairman ☐ 2. M (Dev)
☒ 3. M (Trf. & Fin) ☐ 4. M (Tech)
☐ 5. M (Law)

Subject: **COMMENTS/OBSERVATIONS OF GEPCO ON THE TARIFF MODIFICATION PETITIONS FILED BY PUNJAB POWER DEVELOPMENT COMPANY LIMITED (PPDCL) FOR CHIANWALI HYDROPOWER PROJECT (5.38 MW) AND MARALA HYDROPOWER PROJECT (7.64 MW)**

Reference:

1. Memorandums of Understanding (MOUs) dated 19.08.2026 executed between GEPCO and PPDCL for voluntary amendment of the Energy Purchase Agreements dated 21.09.2023 for the Chianwali and dated 28.04.2023 for the Marala Hydropower Projects. (copies of MOUs enclosed)
2. PPDCL letter No. PPDCL/350/2026 dated 24.08.2026 regarding tariff modification of 5.38 MW Chianwali Hydropower Plant (CHP).
3. PPDCL letter No. PPDCL/349/2026 dated 24.08.2026 regarding tariff modification of 7.64 MW Marala Hydropower Plant. (MHP).

This is with reference to the above petitions/addenda, whereby PPDCL, pursuant to Section 2.2 of the MOUs dated 19.08.2026 referred at Reference-1 above, has submitted the revision in Tariff for their Chianwali and Marala HPPs (reference-2 & 3 above).

With respect to the MOUs reached between GEPCO and PPDCL, GEPCO submits that all clauses of both the MOUs, other than Clause 2.2(a)(i) in case of CHP and Clause 2.2(a)(ii) in case of MHP, are unequivocally clear and agreed accordingly.

However, with respect to the Clause 2.2(a)(i) of CHP MOU and Clause 2.2(a)(ii) of MHP MOU, regarding benchmark energy, GEPCO submits for kind consideration of the honorable Authority as follows:

- i. As per the above sub-clauses, the PPDCL has approached the Authority to approve a downward revision in the annual benchmark energy of CHP from 28.531 GWh to 17.381 GWh and for MHP from 49.995 GWh to 34.045 GWh.
- ii. The proposed revision of benchmark energy requires careful consideration from the perspective of end-consumer interest, tariff impact and future regulatory

TARIFF DEPARTMENT

Page 1 of 3

Dir (COD)..... Dir (Hydro).....
 Dir (DISCOs)..... Dir (RE).....
 Dir (Thermal)..... Add Dir (T).....
 Date: 02-09-2026

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8.9.26

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precedent. Although the Seller may have a contractual right to seek revision of the benchmark energy, acceptance of such revision shall have a direct financial impact on the tariff payable by GEPCO and, ultimately, by the end consumers. A reduction in benchmark energy, other things remaining the same, shall result in an increase in the levelized tariff by approx. 65% in case of CHP and 46% in case of MHP.

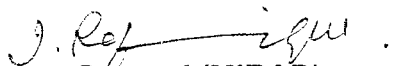
- iii. It is further observed that the feasibility of the projects and the underlying assumptions, including benchmark energy, generation potential and expected energy output, were considered at the time of the original tariff determinations. Therefore, any subsequent revision of benchmark energy on the basis of actual or revised project performance may have the effect of transferring the financial consequences of project planning inefficiencies to the Purchaser and, therefore, the end consumers.
- iv. More importantly, approval of the proposed modification may establish a precedent for future cases, whereby a Seller initially undertakes a project on the basis of best benchmarks/ assumptions and subsequently seeks tariff modification arising due to operational inefficiencies caused by project planning inaccuracies/ wrong assumptions.

In summary, GEPCO requests the honorable Authority to:

- i. Independently examine the hydrological data, canal closure records and forced/scheduled outage data underlying PPDCL's proposed revision of benchmark energy for both projects, rather than relying solely on the Seller's submission;
- ii. Determine, and place on record, the impact of the proposed reduction in benchmark energy on the levelized tariff/revenue requirement of each project, since a lower benchmark will exponentially increase the per-unit cost payable by GEPCO and, ultimately, the end consumers;
- iii. Take into account, in the case of Marala HPP, that the Authority's own original determination capped at 43.39 GWh net annual generation with existing hydrology without UCC remodeling;
- iv. Consider that both the projects are run-of-canal non-dispatchable projects, i.e. the Seller has no any restriction on generating electricity to the best of its ability;
- v. Consider the precedent implications of allowing benchmark energy revisions on the basis of actual underperformance, absent adequate safeguards against similar claims by other Sellers; and
- vi. Afford GEPCO an opportunity of hearing before the Authority finalizes its decision on the captioned petitions.

Foregoing in view, GEPCO strongly disagrees with any change in benchmark energy being not aligned to the regulatory norms.

D.A as above.


Director General (MIRAD)
GEPCO Gujranwala.

Cc to:

- 1) PSO to Chief Executive Officer, GEPCO Gujranwala.
- 2) Chief Financial Officer, GEPCO Gujranwala.
- 3) Master File.

**E-STAMP
(GOVERNMENT OF PUNJAB)**



PB-LHR-E6C3D8B1173E98FB

PSID-40172608188741795

Rs 500/-

Five Hundred Rupees Only

Deed Name	: AGREEMENT OR MEMORANDUM OF AN AGREEMENT - 5(ccc)
First Party	: Punjab Power Development Company Ltd [3520223]
Second Party	: GEPCO [3520223792347]
Recipient	: Muhammad Naveed [35202-2379234-7]
Issue Date	: 18-Aug-2026, 03:44:12 PM
Stamp Duty Paid by	: Punjab Power Development Company Ltd [3520223792347]
Paid Through Challan	: 20267FDD40802683

Please Write Below This Line

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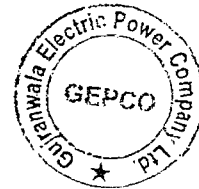
- (1) GUJRANWALA ELECTRIC POWER COMPANY, a company registered under the Companies Act, 2017, with its registered office located at 565-A Model Town, GEPCO Headquarter, GT Road, Gujranwala (the "Purchaser"); and
- (2) PUNJAB POWER DEVELOPMENT COMPANY LIMITED (the "Seller"), a company registered under the Companies Act, 2017, with its registered office located at 2-A, Zafar Ali Road, Gulberg V, Lahore.

(The Purchaser and the Seller may hereinafter individually be referred to as a "Party" and collectively, as "the Parties")

WHEREAS:

1. The Purchaser and the Seller entered into the Energy Purchase Agreement on 28th April 2023 (as amended from time to time) (the "Existing EPA"), pursuant where to, the Seller owns the Plant located at Marala (7.64 MW);

NOW THEREFORE; in consideration of the above mutual benefits to be derived and the representations and warranties, conditions and undertakings herein contained, the Parties hereby agree as follows:



1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless otherwise defined herein or if the context otherwise requires, all capitalized terms used in this MOU shall have the meanings assigned to them under the Existing EPA.

1.2 Interpretation

The rules of interpretation set out in the Existing EPA shall be applied in the interpretation of the terms and provisions of this MOU.

2. TERMS & CONDITIONS

2.1 Effective Date & Execution as an Agreement

This MOU shall become effective on _____ (the "Effective Date"), and shall be construed as an agreement and shall thereafter be legally binding between the Parties from the Effective Date.

2.2 Voluntary Amendment of the Existing EPA

- a. The Parties hereby agree to amend the Existing EPA as of the Effective Date. The Parties have agreed to the following terms and conditions which shall be incorporated in the "Amended EPA":
 - i. The tariff regime shall be converted from the existing "Take-or-Pay" basis to a "Take-and-Pay" structure with a must-run condition. Under this arrangement, the hydrological risk shall be borne by the Seller. Any electricity generated in excess of the determined annual benchmark energy shall be compensated at 10% of the prevailing tariff.
 - ii. The Seller proposes the revision of the annual benchmark energy from 49.995 GWh to 34.045GWh, based on various operational and technical considerations. In support of this revision, relevant evidence has been submitted to the National Electric Power Regulatory Authority (NEPRA), including, inter alia, data relating to annual canal closure days and changes in forced and scheduled outages. NEPRA shall review the matter on its merits, in consultation with the Seller, the power purchaser (GEPCO), and other relevant stakeholders, including the Punjab Irrigation Department, in order to determine whether the proposed revision to the annual benchmark energy is justified.
 - iii. All Operations and Maintenance (O&M) cost components, whether fixed or variable, and irrespective of foreign or local origin, shall be indexed annually to the National Consumer Price Index (NCPI) only.
 - iv. The upward USD indexation of Return on Equity (RoE) and Return on Equity During Construction (RoEDC) shall be discontinued with effect from January 01, 2026. Accordingly, RoE and RoEDC shall be fixed at a USD-PKR exchange rate of PKR 280.55, being the prevailing rate as of December 31, 2025. Any future downward adjustment resulting from appreciation of the PKR against the USD shall be applied annually.
 - v. The insurance cost during the operational phase of the Project is to be reduced from the existing cap of 1.35% of EPC cost to a maximum cap of 0.8% of EPC cost, or actual cost incurred, whichever is lower
 - vi. Withholding tax on dividends at the rate of 7.5% shall not be claimed/treated as a pass-through item.



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- vii. Being a Provincial Government-owned plant, the Water Use Charge payable to the Government of Punjab shall not form part of the tariff with effect from the Effective Date.
- viii. The Seller agrees to waive, abandon, and relinquish all rights and claims it may have with respect to late payment interest as of 31st December 2025 from the Purchaser. For clarity, it includes the late payment charges that will arise from payments made up to 31st December 2025.
- ix. The late payment charges under the Existing EPA shall be calculated at Three Month (03) KIBOR + 1% (prevailing on the Due Date of the invoice without any further variance/fluctuation) per annum on any amount payable in Rupees against Principal Invoices calculated for the actual number of days for which the relevant amount remains unpaid on the basis of 365 days year, without compounding, with effect from the Effective Date.

3. TARIFF MODIFICATION PETITION

- 3.1 The Seller shall develop a tariff modification request to be submitted to NEPRA as a necessary condition to bring into effect the terms of section 2.2 of this MOU (the "Tariff Modification Petition").
- 3.2 The Seller and the Purchaser shall, within fifteen (15) working days from the approval of this MOU from competent authority, file the Tariff Modification Petition before NEPRA. The revised tariff shall be effective from the date of notification (the "Revised Tariff Effective Date").
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4. OVERRIDING EFFECT

The Agreement which shall be made in pursuance of this MOU shall override and have effect over all contracts and agreements between the Parties, prior to the Effective Date, notwithstanding any contract or arbitration agreement or provision to the contrary or otherwise, in any contract, including the Existing EPA, to which the Parties are or may be a party.

5. GOVERNING LAW

5.1 Governing Law

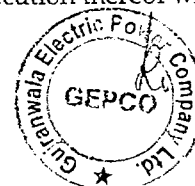
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Each Party represents and warrants to and for the benefit of the other Party that it has full power and authority of entry into this MOU and the execution thereof will not require any further consent or approval of any Person.



3. COPIES OF THE AGREEMENT TO BE DEEMED ORIGINAL

This MOU will be prepared in duplicate and every copy of the MOU will be considered and deemed to be original.

IN WITNESS WHEREOF, the Parties have entered into this MOU in and on the date and place first above written.

For and on behalf of:

GUJRANWALA ELECTRIC POWER
COMPANY

By: J. Rafique

Name: IRFAN RAFIQUE
Director General (MIRAS)
Title: GEPCO HQ Gujranwala

For and on behalf of:

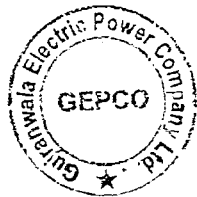
PUNJAB POWER DEVELOPMENT
COMPANY LIMITED

By: [Signature]

Name: ADNAN MUDASTAR
Title: CEO

Witness: [Signature]
Name: Muhammad Imad
CNIC #: 34101-2428303-7

Witness: [Signature]
Name: Rana M. Nadeem
CNIC #: 35202-2249254-9



**E-STAMP
(GOVERNMENT OF PUNJAB)**



PB-LHR-4AF6F7F5CF8A0FCC

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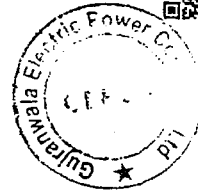
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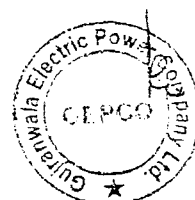
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2.2 Voluntary Amendment of the Existing EPA

- a. The Parties hereby agree to amend the Existing EPA as of the Effective Date. The Parties have agreed to the following terms and conditions which shall be incorporated in the "Amended EPA":
 - i. The Seller proposes the revision of the annual benchmark energy from **28.531 GWh to 17.381 GWh**, based on various operational and technical considerations. In support of this revision, relevant evidence has been submitted to the National Electric Power Regulatory Authority (NEPRA), including, inter alia, data relating to annual canal closure days and changes in forced and scheduled outages. NEPRA shall review the matter on its merits, in consultation with the Seller, the power purchaser (GEPCO), and other relevant stakeholders, including the Punjab Irrigation Department, in order to determine whether the proposed revision to the annual benchmark energy is justified.
 - ii. All Operations and Maintenance (O&M) cost components, whether fixed or variable, and irrespective of foreign or local origin, shall be indexed annually to the National Consumer Price Index (NCPI) only.
 - iii. Being a Provincial Government-owned plant, the Water Use Charge payable to the Government of Punjab shall not form part of the tariff with effect from the Effective Date
 - iv. The Seller agrees to waive, abandon, and relinquish all rights and claims it may have with respect to late payment interest as of 31st December 2025 from the Purchaser. For clarity, it includes the late payment charges that will arise from payments made up to 31st December 2025.
 - v. The late payment charges under the Existing EPA shall be calculated at Three Month (03) KIBOR + 1% (prevailing on the Due Date of the invoice without any further variance/fluctuation) per annum on any amount payable in Rupees against Principal Invoices calculated for the actual number of days for which the relevant amount remains unpaid on the basis of 365 days year, without compounding, with effect from the Effective Date.



3. TARIFF MODIFICATION PETITION

- 3.1 The Seller shall develop a tariff modification request to be submitted to NEPRA as a necessary condition to bring into effect the terms of section 2.2 of this MOU (the "**Tariff Modification Petition**").
- 3.2 The Seller and the Purchaser shall, within fifteen (15) working days from the approval of this MOU from competent authority, file the Tariff Modification Petition before NEPRA. The revised tariff shall be effective from the date of notification (the "**Revised Tariff Effective Date**").
- 3.3 From the Effective Date, billing and invoicing shall be as per the revised tariff by NEPRA, pursuant to section 3.2 above; till then, the current tariff mechanism shall continue.

4. OVERRIDING EFFECT

The Agreement which shall be made in pursuance of this MOU shall override and have effect over all contracts and agreements between the Parties, prior to the Effective Date, notwithstanding any contract or arbitration agreement or provision to the contrary or otherwise, in any contract, including the Existing EPA, to which the Parties are or may be a party.

5. GOVERNING LAW

5.1 Governing Law

This MOU and the Agreement which shall be made in pursuance of this MOU shall be governed by and construed in accordance with the laws of Pakistan.

6. SUCCESSORS AND ASSIGNS

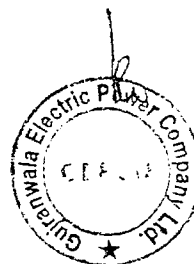
This MOU shall be applicable upon and inure to the benefit of, and be enforceable by, the respective successors, permitted assigns and transferees of the Parties hereto.

7. REPRESENTATION AND WARRANTIES

Each Party represents and warrants to and for the benefit of the other Party that it has full power and authority of entry into this MOU and the execution thereof will not require any further consent or approval of any Person.

8. COPIES OF THE AGREEMENT TO BE DEEMED ORIGINAL

This MOU will be prepared in duplicate and every copy of the MOU will be considered and deemed to be original.



IN WITNESS WHEREOF, the Parties have entered into this MOU in and on the date and place first above written.

For and on behalf of:

For and on behalf of:

GUJRANWALA ELECTRIC POWER
COMPANY

PUNJAB POWER DEVELOPMENT
COMPANY LIMITED

By: J. Rafique

By: [Signature]

Name: IRFAN RAFIQUE

Name: ADNAN MUHAMMAD

Director General (MIRAS)

Title: GEPCO HQ Gujranwala

Title: CEO

Witness: [Signature]

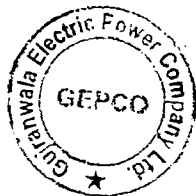
Witness: [Signature]

Name: Halik Muhammad Tameer

Name: Rana M. Nadeem

CNIC #: 34101-1425303-7

CNIC #: 35202-2244204-9





The Registrar,
National Electric Power Regulatory Authority,
NEPRA Tower, Ataturk Avenue (East), G-5/1,
Islamabad

No. PPDCL/ 349 / 2026

PUNJAB POWER DEVELOPMENT COMPANY
LIMITED

Government of the Punjab, Energy Department
2-A Zafar Ali Road Gulberg-V, Lahore

Dated: 24 / August / 2026

Subject: APPLICATION FOR TARIFF MODIFICATION OF 7.64 MW MARALA HYDROPOWER PLANT (MHP) OF PPDCL

The Punjab Power Development Company Limited (PPDCL), through its letter No. PPDCL/604/2025 dated 16.05.2025 has submitted an Application for modification of Reference Tariff of 7.64 MW Marala Hydropower Plant (MHP), which is still pending for decision of the Authority.

Meanwhile as proposed by the National Task Force (NTF), a memorandum of understanding (MOU) has been signed by PPDCL with GEPCO (Power Purchaser) dated 19.08.2026 (Copy attached), wherein at section 2.2, it has been agreed to change/ amend certain terms and conditions of the Energy Purchase Agreement (EPA) to align it with the MOU. In the said MOU it has also been agreed that the Seller shall develop a tariff modification request to be submitted to NEPRA as a necessary condition to bring into effect the terms of section 2.2 of the MOU. Hence this addendum is submitted to the already filed tariff modification application dated 16.05.2025 in respect of Marala Hydropower Plant.

The Terms & Conditions under section 2.2 of the MOU have been reproduced as under:

- i. The tariff regime shall be converted from the existing "Take-or-Pay" basis to a "Take-and-Pay" structure with a must-run condition. Under this arrangement, the hydrological risk shall be born by the Seller. Any electricity generated in excess of the determined annual benchmark energy shall be compensated at 10% of the prevailing tariff.
- ii. The Seller proposes the revision of the annual benchmark energy from 49.995 GWh to 34.045 GWh, based on various operational and technical considerations. In support of this revision, relevant evidence has been submitted to the National Electric Power Regulatory Authority (NEPRA), including, inter alia, data relating to annual canal closure days and changes in forced and scheduled outages. NEPRA shall review the matter on its merits, in consultation with the Seller, the power purchaser (GEPCO), and other relevant stakeholders, including the Punjab Irrigation Department, in order to determine whether the proposed revision to the annual benchmark energy is justified.

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- iii. All Operations and Maintenance (O&M) cost components, whether fixed or variable, and irrespective of foreign or local origin, shall be indexed annually to the National Consumer Price Index (NCPI) only.
- iv. The upward USD indexation of Return on Equity (RoE) and Return on Equity During Construction (RoEDC) shall be discontinued with effect from January 01, 2026. Accordingly, RoE and RoEDC shall be fixed at a USD-PKR exchange rate of PKR 280.55, being the prevailing rate as of December 31, 2025. Any future downward adjustment resulting from appreciation of the PKR against USD shall be applied annually.
- v. The insurance cost during the operational phase of the Project is to be reduced from existing cap of 1.35% of EPC cost to a maximum cap of 0.8% of EPC cost, or actual cost incurred, whichever is lower.
- vi. Withholding tax on dividends at the rate of 7.5% shall not be claimed/treated as a pass-through item.
- vii. Being a Provincial Government-owned plant, the Water Use Charge payable to the Government of Punjab shall not form part of the tariff with effect from the Effective Date.
- viii. The Seller agrees to waive, abandon, and relinquish all rights and claims it may have with respect to late payment interest as of 31st December 2025 from the Purchaser. For clarity, it includes the late payment charges that will arise from payments made up to 31st December 2025.
- ix. The late payment charges under the Existing EPA shall be calculated at Three Month (03) KIBOR + 1% (prevailing on the Due Date of the invoice without any further variance/fluctuation) per annum on any amount payable in Rupees against Principal Invoices calculated for the actual numbers of days for which the relevant amount remains unpaid on the basis of 365 days year, without compounding, with effect from the Effective Date.

Through this addendum, PPDCL hereby makes request to the Authority to consider and approve the terms & conditions contained in section 2.2 of the MOU dated 19.08.2026 signed by PPDCL with GEPCO in respect of Marala Hydropower Plant.

For and on behalf of PPDCL



(Adnan Mudassar)
Chief Executive Office





The Registrar,
National Electric Power Regulatory Authority,
NEPRA Tower, Ataturk Avenue (East), G-5/1,
Islamabad

No. PPDCL/ 388 / 2026

PUNJAB POWER DEVELOPMENT COMPANY
LIMITED

Government of the Punjab, Energy Department
2-A Zafar Ali Road Gulberg-V, Lahore

Dated: 24 / August/ 2026

**Subject: APPLICATION FOR TARIFF MODIFICATION OF 5.38 MW CHIANWALI
HYDROPOWER PLANT (CHP) OF PPDCL**

The Punjab Power Development Company Limited (PPDCL), through its letter No. PPDCL/773-A/2025 dated 31.07.2025 has submitted an application for modification of Reference Tariff of 5.38 MW Chianwali Hydropower Plant (CHP), which is still pending for decision of the Authority.

Meanwhile as proposed by the National Task Force (NTF), a memorandum of understanding (MOU) has been signed by PPDCL with GEPCO (Power Purchaser) dated 19.08.2026 (Copy attached), wherein at section 2.2, it has been agreed to change/ amend certain terms and conditions of the Energy Purchase Agreement (EPA) to align it with the MOU. In the said MOU it has also been agreed that the Seller shall develop a tariff modification request to be submitted to NEPRA as a necessary condition to bring into effect the terms of section 2.2 of the MOU. Hence this addendum is submitted to the already filed tariff modification application dated 31.07.2025 in respect of Chianwali Hydropower Plant.

The Terms & Conditions under section 2.2 of the MOU have been reproduced as under:

- i. The Seller proposes the revision of the annual benchmark energy from 28.53 GWh to 17.381 GWh, based on various operational and technical considerations. In support of this revision, relevant evidence has been submitted to the National Electric Power Regulatory Authority (NEPRA), including, inter alia, data relating to annual canal closure days and changes in forced and scheduled outages. NEPRA shall review the matter on its merits, in consultation with the Seller, the power purchaser (GEPCO), and other relevant stakeholders, including the Punjab Irrigation Department, in order to determine whether the proposed revision to the annual benchmark energy is justified.
- ii. All Operations and Maintenance (O&M) cost components, whether fixed or variable, and irrespective of foreign or local origin, shall be indexed annually to the National Consumer Price Index (NCPI) only.
- iii. Being a Provincial Government-owned plant, the Water Use Charge payable to the Government of Punjab shall not form part of the tariff with effect from the Effective Date.

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- iv. The Seller agrees to waive, abandon, and relinquish all rights and claims it may have with respect to late payment interest as of 31st December 2025 from the Purchaser. For clarity, it includes the late payment charges that will arise from payments made up to 31st December 2025.
- v. The late payment charges under the Existing EPA shall be calculated at Three Month (03) KIBOR + 1% (prevailing on the Due Date of the invoice without any further variance/fluctuation) per annum on any amount payable in Rupees against Principal Invoices calculated for the actual numbers of days for which the relevant amount remains unpaid on the basis of 365 days year, without compounding, with effect from the Effective Date.

Through this addendum, PPDCL hereby makes request to the Authority to consider and approve the terms & conditions contained in section 2.2 of the MOU dated 19.08.2026 signed by PPDCL with GEPCO in respect of Chianwali Hydropower Plant.

For and on behalf of PPDCL



(Adnan Mudassar)
Chief Executive Office





PUNJAB POWER DEVELOPMENT COMPANY LIMITED
ENERGY DEPARTMENT
GOVERNMENT OF THE PUNJAB

Letter No. PPDCL/ 363/2026

Dated: 01 / Sep / 2026

The Registrar,
National Electric Power Regulatory Authority,
NEPRA Tower, Ataturk Avenue (East),
G-5/1, Islamabad.

Subject: APPLICATION FOR TARIFF MODIFICATION OF 5.38 MW CHIANWALI HYDROPOWER PLANT (CHP) OF PUNJAB POWER DEVELOPMENT COMPANY LIMITED (PPDCL)

Dear Sir,

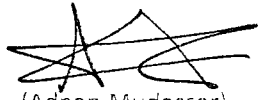
Reference is made to the Authority's Determination dated 11.04.2022, notified vide S.R.O. 718(I)/2022 dated 27.05.2022, in the matter of Petition for Tariff Modification filed by PPDCL for its 5.38 MW Chianwali Hydropower Project, Case No. NEPRA/TRF-556/CHP-2021 ("the Determination"). Under Section II (Pass-Through Items) of the Determination, the Authority provided that withholding tax on dividends shall not be treated as a pass-through item.

2. PPDCL, vide its Tariff Modification Petition dated 31.07.2025 (No. PPDCL/773-B/2025), requested the Authority, under Para 4(iii) (Pass-Through Items) of "Annexure-4", to allow income tax withheld at the prescribed rates on payments of dividends by the Seller to be treated as a pass-through item, effective from COD.

3. In this regard, it is submitted that the Memorandum of Understanding dated 19.08.2026 executed between PPDCL and Gujranwala Electric Power Company (GEPCO) ("the MoU"), which records the agreed amendments to the Existing Energy Purchase Agreement to be incorporated through the Tariff Modification Petition, is silent on the treatment of withholding tax on dividends as a pass-through item. Accordingly, we understand that existing treatment of withholding tax as per Authority's determination dated 11.04.2022 to continue.

4. In view of the foregoing, PPDCL hereby withdraws its request to the extent of treatment of withholding tax on dividends as a pass-through item, as made under Para 4(iii) of "Annexure-4" of the Tariff Modification Petition dated 31.07.2025.

For and on behalf of PPDCL


(Adnan Mudassar)
Chief Executive Officer



Forwarded please:

☒ For nec. action	☐ For information
☐ DG (Lic.)	☐ DG (Admn/HR)
☐ SA (M&E)	☐ DG (CAD)
☐ DG (Tech.)	☐ DG (ATC)
☒ DG (Trf.)	☐ DG (Fin.)
☐ SLA	☐ Dir. (I.T)
☐ Consult (Tech.)	☐ Consult (CTBCM)

For kind information, please.

1. Chairman
2. M (Dev)
3. M (Trf. & Fin)
4. M (Tech)
5. M (Law)

TARIFF DEPARTMENT

Dir (COD)..... Dir (Hydro).....
Dir (DISCOs)..... Dir (RE).....
Dir (Thermal)..... Add Dir (T).....
Date: 03-09-26