



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Tariff)/TRF-81/SHYDO-2007/43253-43255

December 24, 2021

Subject: Decision of the Authority in the matter of Quarterly Indexation / Adjustment of Tariff for Malakand-III Hydropower Project of Pakhtunkhwa Energy Development Organization (PEDO) Case No. NEPRA/TRF-81/SHYDO-2007

Dear Sir,

Please find enclosed herewith the subject decision of the Authority along with revised tariff components (Annex-I) (02 pages) regarding quarterly indexation/adjustment of tariff for Malakand-III Hydropower Project of Pakhtunkhwa Energy Development Organization's Malakand-III (PEDO) for the quarters w.e.f. July 1, 2021 – September 30, 2021 and October 1 to December 31, 2021 on account of US CPI, CPI (Local), US\$/PKR Exchange Rate variation in Case No. NEPRA/TRF-81/SHYDO-2007.

2. The decision is being intimated to the Federal Government for the purpose of notification of adjustment in the approved tariff through the official Gazette pursuant to Section 31 (7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

3. Revised tariff components to be notified in the official Gazette are attached as Annex-I.

Enclosure: As above

(Iftikhar Ali Khan)

Secretary,
Ministry of Energy (Power Division),
Government of Pakistan
'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 QUARTERLY
INDEXATION/ADJUSTMENT OF TARIFF FOR MALAKAND-III POWER PROJECT**

Pursuant to the Authority's Determination in case No.NEPRA/TRF-81/SHYDO-2007 dated 2nd April 2008 and subsequent corrigendum/addendum dated 12th June 2008 notified vide SRO 643(1)/2008 dated 18th June 2008 and the Decision of the Authority dated 27th September 2010 notified vide SRO 1117(1)/2010 dated December 09, 2010 in the matter of adjustment at commercial operation date, the tariff component for the quarter(s) w.e.f July 01, 2021 to Sept 30, 2021 and Oct 01 to Dec 31, 2021 has been revised on account of US CPI, CPI (Local), US\$/PKR exchange rate variation in accordance with the requisite indexation/adjustment mechanism stipulated in the aforementioned determination/decision of the Authority.

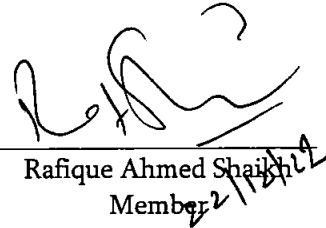
2. The revised tariff components attached as **Annex-I** are to be notified in the official gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

3. CPPA (G) to ensure that all payments are consistent with tariff determination(s).

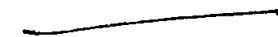
AUTHORITY



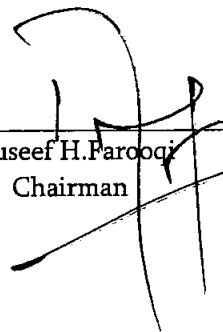
Rehmatullah Baloch
Member



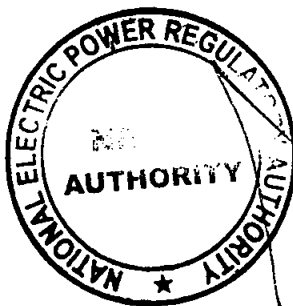
Rafique Ahmed Shaikh
Member



Engr. Maqsood Anwar Khan
Member



Tauseef H. Farooqi
Chairman



24/12/21

Malakand-III Hydro Power Project

Adjustment on Account of Quarterly Indexation

Tariff Components	Reference	w.e.f July 01- Sep 30 2021	w.e.f Oct 01 2021	w.e.f Nov 01- Dec 31 2021
	Rs/kWh	Rs/kWh	Rs/kWh	Rs/kWh
Fixed Charges				
Fixed O&M Local	0.1218	0.2120	0.2120	0.2120
Fixed O&M Foreign	0.2169	0.7389	0.8109	0.8109
ROE	1.0651	2.0688	2.2341	2.2341
ROEDC	0.8938	1.7361	1.8748	1.8748
Variable Charges				
Variable O&M (foreign)	0.1000	0.3407	0.3738	0.3738
Water Use Charge*	0.2167	0.3771	0.3771	0.3771
Total Tariff	2.6143	5.4734	5.8827	5.8827
Indexation Values				
US(CPI)	208.490	269.1950	273.5670	273.5670
CPI (General) - Local	154.720	269.2700	269.2700	269.2700
Rs/US\$ For O&M	60.000	158.3000	170.9500	170.9500
Rs/US\$ For Equity	81.500	158.3000	170.9500	170.9500

*Water Usage is subject to adjustment annually with CPI (General)-Local from date of COD. Since Malakand-III commenced its COD in the month of November, accordingly Water Usage Charge has been indexed In Nov,2021 and the same shall be applicable till Oct 31, 2022.

**For the purpose of indexation of Local O&M and WUC components w.e.f July 1, 2021 to Sep 30, 2021 and Oct to Dec 31, 2021 CPIs of June 2021 and September 2021 were required to be used. However, Pakistan Bureau of Statistics has discontinued the publication of CPI for base year 2007-08 w.e.f. July 2020 and replaced it with National CPI for new base year 2015-16. As per relevant provision of the PPA, the latest available CPI of June 2020 for base year 2007-08 has been used for the instant indexation/adjustment. The indexation of Local O&M and WUC components are being made on provisional basis, subject to revision upon decision of new reference index value by the Authority.

***The Authority wide its decision dated March 10, 2021 replaced CPI Base Year 2007-08 with N-CPI Base Year 2015-16. The decision shall be implemented upon Notification in the Official Gazette.

