



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Tariff)/TRF-81/SHYDO-2007/10328-10332

June 20, 2022

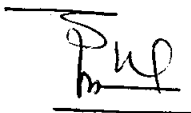
Subject: Decision of the Authority in the matter of Quarterly Indexation / Adjustment of Tariff for Malakand-III Hydropower Project of Pakhtunkhwa Energy Development Organization (PEDO) Case No. NEPRA/TRF-81/SHYDO-2007

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. Jan 01 - March 31, 2022 and April 01 - June 30, 2022 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 sent to the Federal Government for intimation and action, if any, by the Federal Government under Proviso (ii) of Section 31(7) of NEPRA Act, before its notification by NEPRA pursuant to the said Proviso of Section 31(7) of NEPRA Act, 1997.

Enclosure: As above


20 06 22
(Syed Safer Hussain)

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

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
4. Chief Executive Officer, Pakhtunkhwa Energy Development Organization (PEDO) Government of Khyber Pakhtunkhwa, 221-PEDO House, Plot # 38, Sector B/2, Phase-V, Hayatabad, Peshawar Ph: 091-9217446



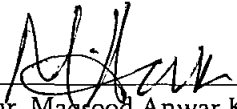
**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY
INDEXATION/ADJUSTMENT OF TARIFF FOR MALAKAND-III POWER PROJECT**

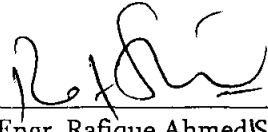
Pursuant to the Authority's Determination in case No.NEPRA/TRF-81/SHYDO-2007 dated 2nd April 2008 and subsequent corrigendum/addendum dated 12th June 2008 notified vide SRO 643(1)/2008 dated 18th June 2008 and the Decision of the Authority dated 27th September 2010 notified vide SRO 1117(1)/2010 dated December 09, 2010 in the matter of adjustment at commercial operation date, the tariff component for the quarter(s) w.e.f Jan 01- March 31, 2022 and April 01- June 30, 2022 have 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


Engr. Maqsood Anwar Khan
Member


Engr. Rafique Ahmed Shaikh
Member


Tauseef H. Farooq
Chairman




200622

Annex -I			
Malakand-III Hydro Power Project			
Adjustment on Account of Quarterly Indexation			
Tariff Components	Reference	w.e.f Jan 01 2022- March 31, 2022	w.e.f April 01- June 30 2022
	Rs/kWh	Rs/kWh	Rs/kWh
Fixed Charges			
Fixed O&M Local**	0.1218	0.2120	0.2120
Fixed O&M Foreign	0.2169	0.8576	0.9012
ROE	1.0651	2.3256	2.3942
ROEDC	0.8938	1.9516	2.0091
Variable Charges			
Variable O&M (foreign)	0.1000	0.3954	0.4155
Water Use Charge*	0.2167	0.3771	0.3771
Total Tariff	2.6143	6.1192	6.3091
Indexation Values			
US(CPI)	208.490	277.9480	283.7160
CPI (General) - Local	154.720	269.2700	269.2700
Rs/US\$ For O&M	60.000	177.9500	183.2000
Rs/US\$ For Equity	81.500	177.9500	183.2000
<p>*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.</p> <p>**For the purpose of indexation of Local O&M component w.e.f Jan 01, 2022 to March 31, 2022 and April 01, 2022 to June 30, 2022 CPIs of October, November & December 2021 were required for Jan-Mar 2022 quarter and CPIs of January, February & March 2022 were required for the April-June 2022 quarter 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 is being made on provisional basis, subject to revision upon decision of new reference index value by the Authority.</p> <p>***The Authority vide 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.</p>			



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