



**Registrar**

# **National Electric Power Regulatory Authority Islamic Republic of Pakistan**

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No. NEPRA/R/ADG(Tariff)/TRF-81/SHYDO-2007/ 36050-54 November 03, 2023

Subject: **Decision of the Authority in the matter of Quarterly Indexation /  
Adjustment of Tariff for Malakand-III Hydropower Project [Case No.  
NEPRA/TRF-81/SHYDO-2007]**

Dear Sir,

Please find enclosed herewith the subject decision of the Authority along with revised tariff components at **Annex-I** (total 02 Pages) regarding quarterly indexation/adjustment of tariff for Malakand-III Hydropower Project of Pakhtunkhwa Energy Development Organization's Malakand-III (PEDO) for the quarter **October-December 2023** on account of Exchange rate variation, N-CPI Local and US CPI 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

( Engr. Mazhar Iqbal Ranjha)

Secretary  
Ministry of Energy (Power Division)  
'A' Block, Pak Secretariat  
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 THE MALAKAND-III HYDRO  
POWER PROJECT**

Pursuant to the decision of the Authority on September 09, 2010, notified vide SRO 1117(1)/2010 dated December 09, 2010, in the matter of adjustment at the commercial operation date, and the decision of the Authority dated March 10, 2021 notified vide S.R.O. No. 1041(1)/2023 on August 09, 2023 in the matter of change of base year 2007-2008 to base year 2015-16 for Consumer Price Index (CPI) for indexation of fixed and variable O&M (Local) components, the relevant tariff components are required to be adjusted on account of US CPI, N-CPI, Exchange Rate variation as per the stipulated mechanism.

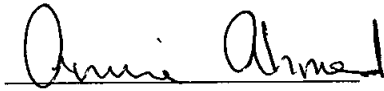
Accordingly, the Authority in its collective and joint wisdom decided with consensus as under; which will be hereafter called as the decision of the Authority in the matter:

“The Fixed O&M local, Fixed & Variable O&M Foreign, Water Use Charge (WUC), Return on Equity (ROE) and Return on Equity During Construction (ROEDC) components have been indexed for Oct-Dec 2023 quarter on account of exchange rate variation, N-CPI local and US CPI. The revised tariff indicated in the attached Annex-I shall be immediately applicable.”

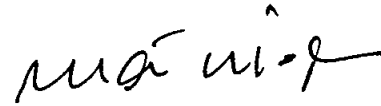
The revised tariff components attached as **Annex-I** are to be notified in the official gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

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

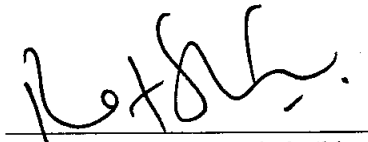
**AUTHORITY**



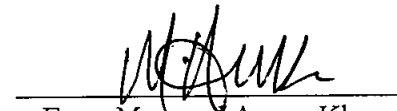
Amina Ahmed  
Member



Mathar Niaz Rana (nsc)  
Member



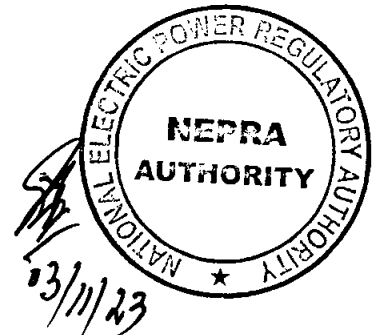
Engr. Rafique Ahmed Shaikh  
Member



Engr. Maqsood Anwar Khan  
Member



Waseem Mukhtar  
Chairman



**Malakand-III Hydro Power Project**  
**Adjustment on Account of Quarterly Indexation**

Tariff Components	Reference	w.e.f Oct 01- Oct 30 2023	w.e.f Nov 01- Dec 31 2023	Indexation
	Rs/kWh	Rs/kWh	Rs/kWh	
<b>Fixed Charges</b>				
Fixed O&M Local	0.2120	0.3871	0.3871	N-CPI Local
Fixed O&M Foreign	0.2169	1.5390	1.5390	Rs./ US\$ & US CPI
ROE	1.0651	3.7782	3.7782	Rs./ US\$
ROEDC	0.8938	3.1705	3.1705	Rs./ US\$
<b>Variable Charges</b>				
Variable O&M (foreign)	0.1000	0.7096	0.7096	Rs./ US\$ & US CPI
Water Use Charge (WUC)	0.3771	0.5345	0.7025	N-CPI Local
<b>Total Tariff</b>	<b>2.8649</b>	<b>10.1189</b>	<b>10.2869</b>	
<b>Indexation Values</b>				
US(CPI)	208.490	307.0260	307.0260	U.S. Bureau of Labor Statistics- Revised value of Aug 2023
N-CPI - Local for O&M Local	131.010	239.2700	239.2700	Pakistan Bureau of Statistics - Revised Value of Aug 2023
N-CPI - Local for WUC	131.010	185.6800	244.0500	Pakistan Bureau of Statistics - Revised Value of Sept 2023
Rs/US\$ For O&M	60.000	289.100	289.1000	SBP-Revised rate of Sep 28, 2023
Rs/US\$ For Equity	81.500	289.100	289.1000	SBP-Revised rate of Sep 28, 2023

\*Based on the data declared by Pakhtunkhwa Energy Development Organization (PEDO).

\*WUC is subject to indexation annually with N-CPI for the date of COD. Since Malakand -III achieved COD in November, thus the WUC is indexed from Nov 2023 and will remain valid till Oct 2024.

