



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/DG(Tariff)/TRF-81/SHYDO-2007/15040-44 June 16, 2023

**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) (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 w.e.f. April 1, 2023 to June 30, 2023 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

( 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 MALAKAND-III POWER PROJECT**

Pursuant to the Authority's Determination in case No.NEPRA/TRF-81/SHYDO-2007 dated 2<sup>nd</sup> 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 27<sup>th</sup> September 2010 notified vide SRO 1117(1)/2010 dated December 09, 2010 in the matter of adjustment at commercial operation date, the tariff components for the quarter w.e.f 1<sup>st</sup> April, 2023 to 30<sup>th</sup> June 2023 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**

Amina Ahmed  
Member

Mathar Niaz Rana (nsc)  
Member

Engr. Rafique Ahmed Shaikh  
Member

Engr. Maqsood Anwar Khan  
Member

  
Tauseef H. Farooqi  
Chairman

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

Tariff Components	Reference	w.e.f April 01- June 30 2023	Indexation
	Rs/kWh	Rs/kWh	
<b>Fixed Charges</b>			
Fixed O&M Local*	0.1218	0.2120	Local CPI
Fixed O&M Foreign	0.2169	1.4819	Rs./ US\$ & US CPI
ROE	1.0651	3.7128	Rs./ US\$
ROEDC	0.8938	3.1157	Rs./ US\$
<b>Variable Charges</b>			
Variable O&M (foreign)	0.1000	0.6832	Rs./ US\$ & US CPI
Water Use Charge*	0.2167	0.3771	Local CPI
<b>Total Tariff</b>	<b>2.6143</b>	<b>9.5828</b>	
<b>Indexation Values</b>			
US(CPI)	208.490	300.8400	US Bureau of Labor Statistics
CPI (General) - Local	154.720	269.2700	Pakistan Bureau of Statistics
Rs/US\$ For O&M	60.000	284.1000	NBP
Rs/US\$ For Equity	81.500	284.1000	Global-rates.com or moneycafe.com

\*For the purpose of indexation of Local O&M component w.e.f April 01, 2023 to June 30, 2023 CPI of March 2023 is required to be used. Similarly Water Usage Charge (WUC) 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 WUC is required to be indexed w-e-f Nov, 2022. 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 are being made on provisional basis, subject to revision upon decision of new reference index value by the Authority.

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.

