



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Tariff)/TRF-81/SHYDO-2007/ 19098-19102 December 10, 2024

Subject: Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for the Malakand-III Hydropower Project

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority along with Annex-I (total 02 Pages) regarding the Quarterly Indexation/Adjustment of tariff for Malakand-III Hydropower Project of Pakhtunkhwa Energy Development Organization for the Quarter **October-December 2024** on account of exchange rate variation, N-CPI Local and US CPI variations in Case No. NEPRA/TRF-81/SHYDO-2007.

2. The Decision is being sent to the Federal Government for intimation under Proviso (ii) of Section 31(7) of the NEPRA Act, before its notification by NEPRA pursuant to the said Proviso of Section 31(7) of NEPRA Act, 1997.

Enclosure: As above

Wasim Anwar Bhinder
(Wasim Anwar Bhinder)

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

Copy to:

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), 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 **October – December 2024** 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

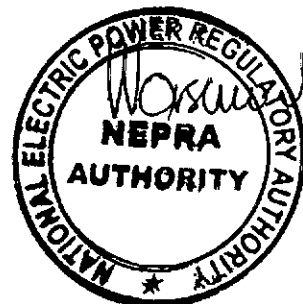
Mathar Niaz Rana (nsc)
Member

Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh
Member

Amina Ahmed
Member

Waseem Mukhtar
Chairman



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

Tariff Components	Reference	Indexed Tariff Oct 01, Dec 31 2024	Indexation	
	Rs/kWh	Rs/kWh		
Fixed Charges				
Fixed O&M Local	0.2112	0.4228	N-CPI Local	
Fixed O&M Foreign	0.2169	1.5177	US\$ & US CPI	
ROE	1.0651	3.6338	US\$	
ROBDC	0.8938	3.0493	US\$	
Variable Charges				
Variable O&M (foreign)	0.1000	0.6997	US\$ & US CPI	
Total	2.4870	9.3233		
Indexation Values				
US(CPI)	208.4900	314.7960	U.S. Bureau of Labor Statistics- Revised value of Aug 2024	
N-CPI - Local for O&M Local	131.0100	262.3200	Pakistan Bureau of Statistics - Revised Value of Aug 2024	
Rs/US\$ For O&M	60.0000	278.0500	NBP-Revised rate of Sept 30, 2024	
Rs/US\$ For Equity	81.5000	278.0500	NBP-Revised rate of Sept 30, 2024	
Tariff Component	Reference	Indexed Tariff Oct 01, Oct 31, 2024	Indexed Tariff Nov 01-2024-Oct 31, 2025	Indexation
	Rs/kWh	Rs/kWh	Rs/kWh	
Water Use Charge*	0.3757	0.6999	0.7484	N-CPI Local
Indexation Values				
N-CPI Local Base Yr. 2015-16	131.010	244.050	260.960	Pakistan Bureau of Statistics - Revised Values of Sept 2023 & Sept 2024 for Nov 01,2023-Oct 31, 2024 & Nov 01, 2024-Oct 31, 2025 respectively.

*Based on the information provided by PPDCL.

*Water Use Charge (WUC) is subject to indexation on annual basis and the first such adjustment shall be due after one year of COD. Since Malakand-III commenced its COD in the month of November, accordingly WUC is required to be indexed w-e-f Nov, 2024 which will be valid till October 2025.

ad 7/24

