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National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Tariff)/TRF-81/SHYDO-2007/19284-87

November 07, 2025

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 alongwith **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 2025** on account of N-CPI Local US CPI and Exchange rate variation 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 after 15 Calendar days pursuant to the said Proviso of Section 31(7) of NEPRA Act, 1997.

Enclosure: **As above**

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


(Wasim Anwar Bhinder)

Copy to:

1. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad
2. Mr. Shehriyar Abbasi, Deputy Secretary, Cabinet Division, Cabinet 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.

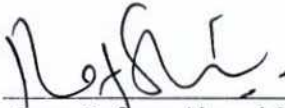
Accordingly, the Authority in its collective and joint wisdom decided with consensus as under; which will be hereafter called as the decision of the Authority in the matter:

“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 2025 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


Engr. Rafique Ahmed Shaikh
Member


Amina Ahmed
Member


Engr. Maqsood Anwar Khan
Member


Waseem Mukhtar
Chairman





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

Tariff Components	Reference	Indexed Tariff Oct 01 - Dec 31, 2025	Indexation
	Rs/kWh	Rs/kWh	
Fixed Charges			
Fixed O&M Local	0.2112	0.4355	N-CPI Local
Fixed O&M Foreign	0.2169	1.5827	US\$ & US CPI
ROE	1.0651	3.6821	US\$
ROEDC	0.8938	3.0899	US\$
Total	2.3870	8.7902	
Variable Charges			
Variable O&M (foreign)	0.1000	0.7297	US\$ & US CPI
Water Use Charge (WUC)*	0.3757	0.7903	N-CPI Local
Total	0.4757	1.5200	
Total Tariff	2.8627	10.3102	
Indexation Values			
US(CPI)	208.4900	323.9760	U.S. Bureau of Labor Statistics- Revised value of Aug 2025
N-CPI - Local for O&M Local	131.0100	270.1800	Pakistan Bureau of Statistics - Revised Value of Aug 2025
N-CPI - Local for WUC	131.0100	275.600	Pakistan Bureau of Statistics - Revised Value of Sep 2025
Rs/US\$ For O&M	60.0000	281.7500	NBP-Revised rate of Sept 30, 2025
Rs/US\$ For Equity	81.5000	281.7500	NBP-Revised rate of Sept 30, 2025

* 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 01, 2025 which will be valid till October 31, 2026.

* WUC for the month of Oct 2025 will remain as Rs 0.7484/kWh as per Decision dated October 10, 2024.

>Based on the information provided by PEDO

