Registrar

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

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No. NEPRA/R/ADG(Tariff)/TRF-232/SKHPL-2013/ 10193-97 July 07, 2025

Subject: **Decision of the Authority in the matter of Review motion filed by Suki Kinari Hydropower Limited against the Decision of the Authority dated January 02, 2025 regarding Quarterly Indexations**

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority along with **Annex-I** (total 11 pages) in the matter of Review motion filed by Suki Kinari Hydropower Limited against the Decision of the Authority dated January 02, 2025 regarding Quarterly Indexations in Case No. NEPRA/TRF-232/SKHPL-2013.

2. The Decision is being sent to the Federal Government for intimation 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**

Wasim Anwar

**(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/Director S K Hydro (Pvt.) Ltd. (SKHPL) 15 Peshawar Block Fortress Stadium Lahore

# DECISION OF THE AUTHORITY IN THE MATTER OF REVIEW MOTION FILED BY SUKI KINARI HYDRO PRIVATE LIMITED AGAINST THE DECISION OF THE AUTHORITY DATED JANUARY 02, 2025 REGARDING QUARTERLY INDEXATIONS

## Background:

1. Suki Kinari Hydro Pvt. Limited (hereinafter referred as to "the Company" or "SKHPL" or "The Petitioner") has developed a 870 MW Suki Kinari Hydropower Project (hereinafter referred as "the Project") on Kunhar River, District Mansehra, Khyber Pakhtunkhwa on a Build, Own, Operate and Transfer (BOOT) basis, pursuant to the Policy for Power Generation Projects 2002 of the Government of Pakistan (GOP).

2. The Authority vide its decision dated Mar 28, 2014 determined the EPC stage tariff for the project, subsequently revised by the Authority via Motion for Review determination dated Jul 22, 2014. As per SKHPL, the Required Commercial Operations Date **("RCOD")** for the Project was December 31, 2022. However, CPPA-G has extended the RCOD by 23 months, i.e. the revised RCOD is Nov 30, 2024 and the GOP has also confirmed the extension under the IA. SKHPL submitted that the COD of the Project was achieved on September 14, 2024 and COD achievement certificate was notified by CPPA-G on September 26, 2024.

3. Subsequent to COD, SKHPL vide its letter dated September 16, 2024 requested the Authority to allow an interim relief through indexation/adjustments of the relevant tariff components of reference generation tariff in accordance with the Authority's determinations, considering the significant liquidity issues being faced by the company. However, SKHPL did not submit the COD true-up adjustment request for adjustments of the relevant tariff component in pursuance to the clause 10(I)(o) of the reference EPC stage tariff determination of the Authority.

4. The Authority considered the request of SKHPL and decided to allow indexation to the extent of debt servicing (Principal + Interest) for two Bi-annual periods only i.e., July-December 2024 and January-June 2025, on a provisional basis subject to finalization of the COD tariff adjustment decision. After June 2025, debt servicing component will be allowed on the reference EPC stage Tariff without indexation. The Authority also directed the company for submission of COD tariff adjustment application on or before June 30, 2025.Accordingly, the indexation of the debt servicing component was allowed vide the Authority's decisions dated 02-01-2025 & 11-03-2025 for the July-December 2024 and Jan-June 2025 periods on a provisional basis.

## Review filed by SKHPL:

5. Being aggrieved with the Authority decision dated 02-01-2025 (hereinafter referred to as the "Impugned Decision"), SKHPL vide letter dated 10-01-2025 filed a Motion for Leave for Review (hereinafter referred to as "MLR"). The Petitioner stated that the Impugned Decision is liable to be reviewed, inter alia, in light of the principles of applicable law, recovery of prudently incurred costs, fairness, non-discriminatory treatment and legitimate expectation, with the following grounds:



NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

A. Mistake or Error Apparent on the Face of the Record:

6. The Petitioner submitted that they sought an interim relief post-COD through indexation of relevant Reference Tariff components on prevailing indices till the determination of tariff at COD by NEPRA. However, the Authority misinterpreted the Petitioner's request, treating it narrowly as a quarterly indexation request for Jul–Sep and Oct–Dec 2024, based on a follow-up letter dated 19th December 2024. This letter was a continuation and not a replacement of the original request dated September 16, 2024 and included necessary documentation for due indexation. The misinterpretation led to a fundamental error in the Impugned Decision, which failed to address the broader relief genuinely sought, warranting its revision.

B. Legitimate Expectation:

7. SHPL stated that the reference tariff, determined nearly 11 years ago, no longer reflects current economic realities due to significant changes like the PKR/USD exchange rate has devalued by 186%, local CPI has risen by approximately 184%, US CPI has increased by 34%, and the 6-month LIBOR has surged from 0.413% to 5.683%, resulting in a 107% rise in USD interest and a 493% increase in PKR terms thus to reflect these changes requires tariff adjustments.

8. The Petitioner seeks these adjustments under the PPA due to major macroeconomic changes, including PKR devaluation, rising CPI, and increased LIBOR, which have severely impacted project viability. These adjustments, allowed under the PPA's tariff structure, are essential for financial sustainability and must be granted irrespective of procedural delays, in line with regulatory fairness and the Authority's mandate given the legitimate expectation of the Company.

C. Violations of Principles of Consistency, Fairness and Discrimination:

9. The Petitioner referred the previous precedents of Mira Power Limited and Punjab Thermal and submitted that in both cases, NEPRA granted interim relief despite pending COD adjustments, recognizing project-specific challenges and the financial risks of delaying indexation. For Mira Power, the Authority noted that, if such adjustment was not made, it would accumulate and be due in bulk at COD adjustment creating emergent liability for CPPA-G. Similarly, for Punjab Thermal, NEPRA provisionally allowed indexation for multiple quarters, citing the company's unique difficulties in filing the COD request and the need to prevent financial strain. These precedents underscore the Authority's commitment to fairness, regulatory continuity, and financial stability in comparable circumstances.

D. Duty of the Authority:

10. The Petitioner submitted that, as a quasi-judicial body, NEPRA is mandated to act fairly, reasonably, and justly under Section 24-A of the General Clauses Act, 1897, and to balance the interests of consumers and investors in line with Section 7(6) of the NEPRA Act and the Government's broader policy goals. Given the Petitioner's demonstrated progress toward achieving the COD and its earnest efforts in fulfilling regulatory obligations, it is just and reasonable to grant interim relief through indexation/adjustment of Reference Tariff components based on prevailing indices.



NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
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E. Power Policy 2002:

11. The Petitioner submitted that its request for interim relief aligns with the Power Generation Policy, 2002, which emphasizes timely foreign exchange adjustments, particularly where devaluation exceeds 5% in a month to protect investors from currency volatility. This reflects the Government of Pakistan's clear intent to provide prompt financial safeguards. Given the Petitioner's imminent cash flow challenges, the requested relief is both justified and consistent with the policy's objective of ensuring investor protection, and should therefore be granted in the spirit of the policy framework.

F. G2G Agreement:

12. SKHPL submitted that the Project is a key part of the China-Pakistan Economic Corridor (CPEC) and an early harvest initiative, holds significant strategic importance under the Government-to-Government (G2G) Cooperation Agreement between Pakistan and China. Article 4 of the G2G Agreement ensures that CPEC projects, including this one, receive no less favorable treatment than similar energy sector projects, guaranteeing the highest level of facilitation. As such, the Petitioner is entitled to timely regulatory approvals and adjustments, such as tariff revisions and indexations, consistent with support given to other comparable projects. The Authority's actions must align with this commitment to safeguard the Project's successful implementation and operational viability.

G. Indicative Generation Capacity Plan:

13. SKHPL submitted that the Indicative Generation Capacity Plan emphasizes the priority of hydropower generation for long-term energy security, which enhances investor confidence and encourages foreign investment. Hydropower projects, such as the Petitioner's offer significant economic, operational, and environmental benefits, including reduced reliance on imported fuels, lower fuel cost volatility, and improved grid stability. In light of these advantages, the Petitioner requests the Authority's support to ensure the smooth operation of the project in alignment with the national energy policy and objectives of power sector stability and sustainability.

**Prayers:**

14. Based on the above submissions, the Petitioner respectfully prays that the Impugned Decision may be reviewed and determined in accordance with the peculiar facts, legal entitlements, and precedents established by the Authority in similar cases. The Company requests the Authority to:

a) accept this Review Motion expeditiously;
b) allow interim relief through indexations/adjustments on all relevant Reference Tariff components on the current indices;
c) modify the Impugned Decision in accordance with the submissions made in this Review Motion and Application;
d) allow the Company to file the tariff modification petition once the other pending matter stated in review petition are finalized;
allow the company to file onetime COD adjustment petition following NEPRA's decision on the aforesaid modification petition; and

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

f) Grant the Petitioner any other relief which is just and proper.

15. Moreover, SKHPL vide letter dated April 15, 2025 also submitted additional information by highlighting that certain financial and contractual considerations which render the Authority's approved indexations solely on debt service components insufficient due to the following requirements:

Waterfall Mechanism under Financing Agreement:

The Company's revenue distribution under a lender-approved waterfall mechanism defined in the Accounts Agreement, prioritizing payments such as taxes, operating costs, debt servicing, reserves, and dividends. Despite invoiced revenues, the Company faces a significant cash flow shortfall projected at $65 million by September 2025 due to delays in CPPA-G payments and late indexation approvals, which prevent timely billing and collection. Additional challenges include unindexed PKR revenues for O&M and insurance while liabilities are in USD, exposing the Company to exchange rate risk and further complicating debt repayment obligations due in March and September 2025.

Debt Service Reserve Account (DSRA) requirement:

The Company was obligated to meet its Debt Service Reserve Account (DSRA) requirements by the first repayment date and assumed it could fund this through payments from the Power Purchaser; however, current indexation approvals make this unfeasible. Since the final tariff at COD remains pending due to delays in the true-up process, the Company has only sought indexation on the existing EPC-stage tariff to cover essential payments. It emphasizes that approval of additional indexation components under its Motion for Review is critical to addressing repayment shortfalls, meeting DSRA obligations, and managing operational risks caused by delays in indexation and CPPA-G payments. Without this, the Company faces a high risk of default under its financing agreements and disruption to operations, and it urges NEPRA to approve the requested indexation to ensure compliance and continuity.

## Proceedings by NEPRA:

16. The Authority admitted the MLR filed by SKHPL and the hearing in the matter was held on May 6th, 2025, which was attended by the representatives of SKHPL, CPPA-G, PPIB, Ministry of Power and NTDC. During the hearing, the Authority also raised queries and directed SKHPL and CPPA-G for a written response in the matter. Subsequently, the same directions were also communicated to SKHPL and CPPA-G vide Authority's letters dated May 12th, 2025.

17. CPPA-G vide letter dated May 15th, 2025 submitted that SKHPL achieved COD on 14-09-2024 and the invoices are being processed at reference tariff except the debt servicing component, which is indexed in accordance with the Authority's decision. Regarding the interim request by SK Hydro for indexation of all the tariff components, CPPA-G is of the view that the indexation on all the components may be allowed in line with the indexation mechanism on a periodic basis rather than accumulating this cost and passing it on to the consumers at once.



NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

18. SKHPL vide letter dated May 15th, 202 submitted the response on the queries raised by the Authority during the hearing. The response to the Authority's queries is detailed in the following paragraphs:

**Query No.1 – Explain how the Company will become insolvent (or bankrupt) if the indexation is not allowed on all the components by providing calculations and financial figures.**

19. SKHPL submitted that it is currently facing an acute financial crisis primarily driven by the unprecedented devaluation of the Pakistani Rupee (PKR) against the US Dollar (USD), extraordinary inflation and outdated tariff assumptions. The financial position of the Project has deteriorated to the extent that, without the requested interim relief, the Company will be unable to meet its debt servicing obligations, leading to an imminent risk of default under the Project's financing documents and contractual agreements. The Reference Tariff has become obsolete in real terms due to the following cumulative escalations:

| Index | 2014 baseline value under Reference Tariff | Current (2024) | %Increase |
|---|---|---|---|
| Exchange Rate (PKR/USD) (as of 28 June 2024) | 97.4 | 278.80 | 186% |
| Local CPI (as of May 2024) | 183.48<br>(Base 2007-08) | 254.78<br>(Base 2015-16) | 184% |
| US CPI (as of May 2024) | 233.596 | 314.069 | Circa 34% |
| 6 – Month LIBOR has increased from 0.413% to 5.683% as of 28 June 2024 resulting in a total increase | From 4.913% | to 10.183% | 107% |

20. SKHPL stated that it has already submitted in the MLR, that the forecasted deficit of USD 65 million till September 2025 will arise and this will accumulate to USD 118 million by March 2026. It may be noted that these amounts are calculated considering the actual situation faced by the Company with regards to procedural delays and payments made by CPPA-G.

21. SKHPL further submitted that, assuming that all procedural requirements are duly completed and no further delay arises on part of CPPA-G and full & timely payment are made by CPPA-G, the Company would still be faced with significant projected deficit of about USD 25 million up to September 2025 and of USD 93 million up to March 2026.

22. SKHPL stated also emphasized that the necessity of acknowledging that, during the initial years of the Project, the Return on Equity ("ROE") and Return on Equity During Construction ("ROEDC") components serve as a critical financial buffer against potential cash flow shortfalls arising from procedural delays (normal or otherwise) on the part of CPPA-G and the need to

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

fund the DSRA. However, pursuant to the current decision, the Project is precluded from availing this mechanism.

23. SKHPL stated that the request for interim relief on all the components of the Reference Tariff are, therefore, not only justified, but it is a minimum essential requirement to prevent a default and to allow the Project to meet its baseline financial obligations during the transition to COD and final tariff determination.

24. According to SKHPL, insolvency is described under the Company's Facilities Agreement as a situation where inter alia the Company is unable to pay its debts as it falls due. The Authority may kindly note that, in the absence of complete interim relief, the Company is almost in this insolvency situation.

**Query No.2 – Justify your claim through relevant documentary evidences that the Project Lenders have a right over the Company's revenues (through waterfall, DSRA etc.)**

25. The Company submits that, as a fundamental principle of project finance, Lenders retain control over the Project's revenues through a contractually defined revenue waterfall mechanism and related security structures. These arrangements are fully aligned with international project financing norms and are recognized under the Government of Pakistan's Power Policy framework, including the Direct Implementation Agreement (IA).

26. The Company further submitted that this control is embedded in the Project's Financing Documents, particularly the Accounts Agreement executed between the Company, the Onshore and Offshore Account Banks, and the Agent (on behalf of Lenders). The relevant provisions substantiating Lenders' rights are summarized below:

(a) **<u>Establishment and Control of Project Accounts</u>**

- Recital B of the Accounts Agreement: Establishing project accounts under an approved structure is a *condition precedent* to disbursement under the Facilities Agreement.
- Clause 3.1 of the Accounts Agreement: The Company has provided security over all Onshore and Offshore Accounts in favor of the Lenders to secure repayment of the facilities.
- Clause 3.4 of the Accounts Agreement: Unless an Event of Default occurs, the Company may operate the accounts *only within the defined parameters* of the Accounts Agreement.
- Clause 4.2 of the Accounts Agreement: The Company is *prohibited from opening any other accounts* outside this structure.

(b) **<u>Revenue Waterfall and Restrictions</u>**

- Clause 5.4 of the Accounts Agreement: The Company is obligated to operate all Project Accounts strictly in accordance with the Accounts Agreement, Facilities Agreement, and related documents.
- All revenues must be allocated according to a waterfall priority under clause 5.7(b) of the Accounts Agreement, which includes:

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY NEPRA AUTHORITY

i. Statutory payments (e.g., taxes)
ii. Damages and operating costs
iii. Debt servicing and reserve accounts (e.g., DSRA)
iv. Distributions, if any, subject to surplus availability

- Lenders' consent is required for any deviation from this structure, and no distributions can be made outside this waterfall without prior written approval from the Agent acting on behalf of the Lenders.

(c) **Impact of Limited Indexation and Delays**

- Due to delayed and partial indexation approvals by NEPRA, the Company is unable to even meet the obligations ranked higher in the waterfall (e.g., O&M and insurance), which are payable in USD, but are reimbursed in PKR. This has resulted in misalignment between revenue inflows and USD-denominated expenses and severe funding shortfall as described under query no. 1 above.

(d) **DSRA and Default Risk**

- Section 5.11 of the Accounts Agreement mandates the maintenance of the Debt Service Reserve Account (DSRA) on each repayment date.
- Due to inadequate indexed revenue, the Company cannot fulfill its DSRA obligations, exposing it to default under its Financing Documents, and risking:
  - Missed debt repayments
  - Breach of financial covenants
  - Erosion of lender confidence
  - Operational disruption

27. The Company further stated that it is reaffirmed that the Lenders' right to control revenue, such as enforcing the waterfall structure and maintaining the DSRA, are binding obligations under the Financing Documents. Any cash flow shortfall may result in default and would ultimately lead to insolvency.

**Query No.3 – When the Company will file COD true-up and also justify why the filing of COD cannot be done prior to this proposed date?**

28. The Company submitted that Panel of Experts (PoE) process of PPIB is expected to be completed by August 2025. Upon receipt of the PoE's conclusions and on the assumption that all other factors are ideal, the Company aims to finalize and submit the EPC Stage Tariff Modification petition within 60 days i.e. by 30 October 2025. Upon the issuance of Modification determination by NEPRA within four (4) months, SKHPL will submit the COD True-Up application within by **30 April 2026**.

29. Regarding the reasons for delay, the key factors contributing to the delay includes:

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NEPRA
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- Pending cost determinations by PPIB's Panel of Experts (PoE) for design changes;
- Finalization of costs related to the Shunt Reactor, Army Facilities, and COVID-19-related claims.

30. SKHPL stated that the aforementioned timeline is based on the following assumptions: (i) all relevant conditions remain unchanged, (ii) no review or appeal is filed against the applicable orders, (iii) interim relief continues without requiring a fresh application after the modification petition is filed, (iv) NEPRA's timeline for admission of petitions/applications have not been factored in, and (v) no procedural delays occur during the process.

31. SKHPL further stated that to avoid any risk of default on its bi-annual debt servicing obligations which are due in September and March each year, and to provide a stable financial environment during this transitional period, the Company respectfully requests that the interim relief (as granted pursuant to this review motion on components of the Reference Tariff) be maintained until **30 June 2026**.

**Query No.4 - The Company is required to make an estimate of this balloon payment (payable by CPPA-G) which will become due and payable at COD True-Up, if Interim Relief is not granted.**

32. SKHPL submitted that, in the absence of adequate interim relief, substantial payables will accumulated at CPPA-G's end, resulting in a significant balloon payment becoming due upon the determination of COD True-Up. Based on the current estimates and projected exchange rate movements, if indexation continues to be restricted as it is currently, the cumulative differential will exceed PKR 74,160,453,980/- by March 2026.

33. SKHPL further stated that, it is important to highlight NEPRA's own precedent in the Mira Power Ltd. case, where the Authority allowed indexation and noted that failure to make such adjustments would result in accumulated liabilities, which would become payable in bulk at the time of COD adjustment, thereby creating an emergent liability for CPPA-G. This is a highly likely scenario in the Company's case as well. The restrictive and short-term relief currently granted does not cover the full scope of indexed obligations. As a result, the differential will continue to accumulate and, if not addressed in a timely manner, will balloon into the abovementioned large single payment obligation upon final determination placing severe financial stress not just on the Company but also on CPPA-G.

34. SKHPL submitted that it is therefore in the shared interest of all stakeholders, including the Authority and CPPA-G, to manage this burden through timely interim adjustments, rather than deferring it and allowing it to accumulate for a one-time bulk payment at the time of COD adjustment.

35. According to the Petitioner, the instant interim request is fully consistent with NEPRA's past decisions in above referred cases, where similar relief was granted despite pending COD adjustments to uphold financial stability and fairness. The Authority's failure to extend comparable treatment in the Impugned Decision, without offering any rationale for departing from established precedent, reflects a lack of regulatory consistency and undermines principles of fairness and non-discrimination. The Petitioner, facing delays beyond its control, remains

compliant with its contractual obligations and seeks relief that aligns with the regulatory framework and constitutional guarantees. NEPRA's arbitrary and restrictive approach, disregarding the broader financial implications and legal expectations, not only deviates from precedent without justification but also erodes trust in regulatory governance and investor confidence.

**Analysis and Decision of the Authority**

36. The submissions of the Petitioner and comments of CPPA-G, have been examined. Regarding the grounds raised in the review petition, the Authority clarifies that no error is evident on the face of the record, as the interim request made vide letter dated September 16, 2024 was considered and accordingly allowed provisional indexation to SKHPL on the debt servicing component (principal and interest) for two bi-annual periods, subject to the filing of the COD tariff petition by June 30, 2025. While the Petitioner submitted additional correspondence thereafter, it did not materially affect the Authority's decision, which was properly based on the original interim request. Therefore, SKHPL's claim of misinterpretation is not justified. Moreover, no discriminatory treatment was made in this case, as no interim indexation was granted to Mira Power prior to its COD petition. Regarding the Punjab Thermal it is clarified that it was treated as an exception due to its unique circumstances and interim indexations were allowed upto certain period with the direction to file COD-true-up application. However, after the stipulated time it was stopped and resumed only after the filing of COD-true-up application. The Authority's approach remained consistent with past practice. The project's status under the Power Policy 2002, its classification as a CPEC and G2G project, and its alignment with IGCEP priorities were duly considered while allowing the interim indexation till June 30, 2025. Accordingly, the grounds raised in the review petition do not establish any error or discrimination.

37. The Authority observed that the calculations of SKHPL are based on the invoices mechanism billed to the CPPA-G and are not truly reflective of the indexation allowed by the Authority. The analysis revealed that the shortfall during the period from September 14, 2024 (COD date) to 30th June 2025 is approximately Rs. 21,277 million on the basis of allowed and requested tariff components. For each subsequent quarter the shortfall is approximately Rs.16,500 million including debt servicing component. Thus the deficit will arise and may affect SKHPL's cash flow and will also result in cost accumulation.

38. The Authority understands that certainly by not allowing the indexation on all the tariff components till June 30, 2025 and after restricting it to reference components will surely result into balloon amount. Thereafter allowing this balloon amount at once may enhance the consumer end tariff. CPPA-G also recommended the Authority that the indexation on all the components may be allowed in line with the indexation mechanism on a periodic basis rather than accumulating this cost and passing it on to the consumers at once.

39. Considering indexation requests under Rule 4(7) of the NEPRA Tariff Rules, the Authority allows interim relief to IPPs where a one-time COD adjustment request is filed. While this has generally been the practice, PTPL was granted interim relief prior to the COD filing subject to a defined timeline. In view of CPPA-G's submission and the PTPL precedent, the Authority has acceded to the request of SKHPL by allowing the interim relief through indexation of all tariff components except insurance which shall be on reference basis from Commercial Operation



NEPRA AUTHORITY

Date (COD) until June 30, 2026 provisionally subject to adjustment/refund as per the COD tariff determination. SKHPL is directed to submit its COD tariff adjustment application on or before June 30, 2026, failing which no further indexation shall be allowed after 30th June 2026.

**Order:**

40. The interim relief through indexation of reference tariff components is provisionally allowed to SKHPL from Commercial Operation Date (COD) subject to adjustment, if any, in the light of the Authority's final decision on the COD tariff. The revised tariff components from the COD till June 30, 2025 has been revised and attached as **Annex-I.**

41. SKHPL is directed to submit COD tariff adjustment application on or before June 30, 2026, failing which no further indexation shall be allowed after 30th June 2026.

42. The above Order of the Authority along with attached **Annex-I** is hereby intimated to the Federal Government in terms of Section 31(7) of the Regulations of Generation, Transmission and Distribution of Electric Power Act, 1997.

**Authority**

Engr. Rafique Ahmed Shaikh
Member

Amina Ahmed
Member

Engr. Maqsood Anwar Khan
Member

Waseem Mukhtar
Chairman

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**Annex-I**

**SK Hydro (Private) Ltd**
**Quarterly Indexation/Adjustment**

| Tariff Components | Reference | July-Sep 2024 | Oct-Dec 2024 | Jan-Mar 2025 | Apr-Jun 2025 |
|---|---|---|---|---|---|
| **Variable Tariff** | | | | | |
| Var. O&M (Local) Rs/kW/h | 0.1789 | 0.3478 | 0.3581 | 0.3624 | 0.3603 |
| Var. O&M (Foreign) Rs. kW/h | 0.0306 | 0.1178 | 0.1177 | 0.1183 | 0.1204 |
| Water Use charge Rs. kW/h | 0.1500 | 0.1500 | 0.1500 | 0.1500 | 0.1500 |
| **Fixed Tariff** | | | | | |
| Fixed O & M Foreign (Rs/kW/Month) | 81.2621 | 312.7386 | 312.6193 | 314.2129 | 319.7817 |
| Fixed O & M Local (Rs/kW/Month) | 145.13 | 282.2366 | 290.5891 | 294.0675 | 292.3948 |
| Return On Equity (Rs/kW/Month) | 683.4868 | 1,956.4283 | 1,951.1653 | 1,956.7792 | 1,969.0595 |
| Return on Equity During Construction (Rs/kW/Month) | 430.3512 | 1,231.8472 | 1,228.5334 | 1,232.0681 | 1,239.8003 |
| Principal Repayment (Rs/kW/Month) | 758.929 | 2172.3758 | 2172.3758 | 2,172.7654 | 2,172.7654 |
| Interest Charges (Rs/kW/Month) | 583.4055 | 3489.3305 | 3489.3305 | 3,097.2474 | 3,097.2474 |
| **Indexation Values** | | | | | |
| Exchange Rate for O&M | 97.40 | 278.80 | 278.05 | 278.85 | 280.6 |
| N-CPI Local Quarterly | 131.01 | 254.780 | 262.3200 | 265.4600 | 263.95 |
| CPI- US Quarterly | 233.596 | 314.0690 | 314.7960 | 315.4930 | 319.082 |
| SOFR+CAS+Spread | 4.9133% | 10.1830% | 10.1830% | 9.1783% | 9.1783% |

*Based on the Data Declared by SK Hydro Pvt. Ltd

*The insurance component shall be paid as per the reference generation tariff.