



**Registrar**

# **National Electric Power Regulatory Authority**

## **Islamic Republic of Pakistan**

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No. NEPRA/R/ADG(Trf)/TRF-309/KPCL-2015/ 3606 2-66

November 03, 2023

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff of 720 MW Karot Hydropower Project of Karot Power Company (Pvt.) Ltd. (Case No. NEPRA/TRF-309/KPCL-2015)**

Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised tariff components at **Annex-I** (total 02 pages) regarding quarterly indexation/adjustment of tariff for the quarters **October-December 2023** on account of applicable variations in the Exchange Rate, N-CPI Local, US CPI and LIBOR in respect of Karot Power Company (Pvt.) Ltd. in Case No. NEPRA/TRF-309/KPCL-2015.

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

Copy to: (alongwith copy of subject Decision):

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, Karot Power Co. Pvt. Ltd., L-6, Serena Business Complex, G-5/1, Islamabad



**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY  
INDEXATION/ADJUSTMENT OF THE TARIFF OF 720 MW KAROT HYDROPOWER  
PROJECT OF KAROT POWER COMPANY**

Pursuant to the decision of the Authority dated April 27, 2016, in the matter of Motion for Leave for Review filed by Karot Power Company (Pvt.) Ltd. (KPCL) against the Determination of the Authority in the matter of EPC Stage Tariff of 720 MW Karot Hydropower and determination of the Authority in the matter of Petition filed by KPCL for determination of EPC-Stage Generation Tariff in respect of 720-MW Karot Hydropower Project, the tariff components are required to be indexed/ adjusted according to the stipulated mechanism therein.

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

The indexation allowed is on an interim basis and shall be subject to adjustments, if necessary, in the light of the final decision of the Authority with respect to KPCL's COD tariff adjustment.

The above referred revised tariff components attached as **Annex – I** is to be notified in the official gazette, in terms 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**

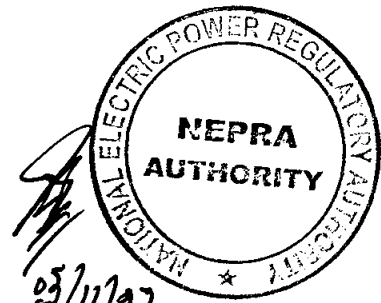
Mathar Niaz Rana (nsc)  
Member

Engr. Maqsood Anwar Khan  
Member

Engr. Rafique Ahmed Shaikh  
Member

Amina Ahmed  
Member

Waseem Mukhtar  
Chairman



**Karot Power Company**  
**720 MW Karot Hydropower Project**  
**Quarterly Indexation/Adjustment**

Tariff Components	Revised Reference Tariff	Oct - Dec 2023	Indexation
<b>Energy Charge (Rs./kWh)</b>	<b>0.4072</b>	<b>0.8186</b>	
V. O&M Local	0.1560	0.2849	N-CPI local
V. O&M Foreign	0.0497	0.1831	US CPI & Rs./US\$
Water Use Charge (WUC)	0.201500	0.3506	N-CPI local
<b>Capacity Charge (Rs./kW/Month)</b>	<b>2,984.0566</b>	<b>10,313.5696</b>	
Fixed O&M Local	99.1983	181.1708	N-CPI local
Fixed O&M Foreign	172.2791	634.9755	US CPI & Rs./US\$
ROE	630.9966	1,795.4834	Rs./ US\$
ROEDC	278.8558	793.4764	Rs./ US\$
Loan Repayment	957.1964	2,704.8336	Rs./ US\$
Interest Charge	739.9803	3,905.3681	LIBOR & US\$
Sinosure	105.5500	298.2618	Rs./ US\$
			<b>Sources (Websites)</b>
Exchange Rate	101.6	289.10	NBP
6-month LIBOR	0.36%	5.762%	Global-rates.com or moneycafe.com
Spread on LIBOR	4.50%	4.50%	
N-CPI Local for O&M Local	131.01	239.27	Pakistan Bureau of Statistics
N-CPI Local for Water Use Charge	131.01	227.96	Pakistan Bureau of Statistics
US CPI	237.031	307.026	US Bureau of Labor Statistics
Outstanding Loan US\$ in Million		1133.7921	
Capacity (MW)		712.800	

Based on the data declared by Karot Power Company (Pvt.) Limited.

The debt servicing and Sinosure components are subject to indexation Biannually and were indexed in Jul-Sep 2023 quarter, thus the same indexed value are applicable for the instant quarter. Additionally the CPI-General has been replaced with N-CPI as per the Authority's decision dated August 09, 2023 notified vide S.R.O 1041/(I) dated Feb 09, 2023 and accordingly the N-CPI has been applied on the relevant tariff components. The exchange rate used for the previous quarter for these components was Rs. 287.10. Moreover, Karot Power commenced operations on June 29, 2022, accordingly WUC is required to be indexed w.e.f June 2023, thus the N-CPI value of May 2023 has been applied for the applicable period.

*sd H/9*

