



# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/ADG(Trf)/TRF-309/KPCL-2015/ 22/9-23

February 9, 2022

**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 (Annex-I) (02 pages) regarding quarterly indexation/adjustment of tariff for the quarters April-June 2022 to October-December 2022 on account of Exchange Rate, LIBOR, US CPI and Local CPI variations 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 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 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.

KPCL filed request for interim relief which was considered by the Authority. Accordingly, the tariff components have been revised/ indexed on account of applicable variations in exchange rate, LIBOR, US CPI and local CPI from the period April – June 2022 to October – December 2022. The revised tariff indicated in the attached **Annex – I** shall be immediately applicable.

The indexation allowed is on 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.

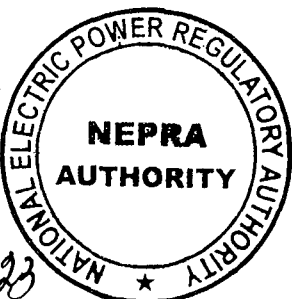
**AUTHORITY**

\_\_\_\_\_  
Mathar Niaz Rana (nsc)  
Member

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Engr. Maqsood Anwar Khan  
Member

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Engr. Rafique Ahmed Shaikh  
Member

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Tauseef H. Farooqi  
Chairman



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

Tariff Components	Reference Tariff Determination	Revised Reference Tariff	Apr-Jun 2022	Jul-Sep 2022	Oct-Dec 2022	Indexation
<b>Energy Charge (Rs./kWh)</b>	<b>0.3158</b>	<b>0.3158</b>	<b>0.4631</b>	<b>0.4832</b>	<b>0.4995</b>	
V. O&M Local	0.1161	0.1161	0.1565	0.1565	0.1565	Local CPI
V. O&M Foreign	0.0497	0.0497	0.1043	0.1244	0.1407	US CPI & Rs./US\$
Water Use Charge	0.1500	0.1500	0.2023	0.2023	0.2023	Local CPI
<b>Capacity Charge (Rs./kW/Month)</b>	<b>3,316.0235</b>	<b>3,067.5085</b>	<b>5,099.4000</b>	<b>5,420.1698</b>	<b>6,117.6408</b>	
F. O&M Local	73.8339	73.8339	99.5755	99.5755	99.5755	Local CPI
F. O&M Foreign	172.2791	172.2791	361.1732	430.7485	487.2027	US CPI & Rs./US\$
Insurance	113.8313	101.7317	-	-	-	
ROE	685.8480	630.9966	1105.1757	1279.3829	1428.1267	Rs./ US\$
ROEDC	303.0962	278.8558	488.4093	565.3966	631.1308	Rs./ US\$
Loan Repayment	986.4181	907.5283	1589.5144	1589.5144	2053.9974	Rs./ US\$
Interest Charge	858.2912	789.6485	1258.2750	1258.2750	1220.3310	LIBOR & US\$
Sinosure	122.4257	112.6346	197.2768	197.2768	197.2768	Rs./ US\$
Principal outstanding Foreign (US\$ in Millions)			1249.9520	1249.9520	1212.2589	Authority's decision dated April 27, 2016
Capacity (MW)			712.8000	712.8000	712.8000	Authority's decision dated April 27, 2016

**Indexation Values****Sources (Websites)**

Exchange Rate	101.6		177.95	206.00	229.95	NBP
6-month LIBOR	0.36%		0.3388%	2.9351%	2.9351%	Global-rates.com or moneycafe.com
Local CPI *	199.66		269.27	269.27	269.27	Pakistan Bureau of Statistics
US CPI	237.031		283.716	292.296	296.171	US Bureau of Labor Statistics

The above indexation is on the basis of information provided by Karot and verified by NEPRA. The exchange rates and LIBOR rates of last working day of previous quarter have been applied for calculation. Insurance has not been considered because it is allowed as per actual on annual basis.

\* For the purpose of indexation of Local O&M and WUC components for April-June 2022, July-September 2022 and October-December 2022 quarters, CPIs of February, May and August 2022 were required to be used. 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. The Authority vide its decision dated March 10, 2021 replaced CPI Base Year 2007-08 with N-CPI Base Year 2015-16, however, that decision shall be implemented upon Notification in the Official Gazette. 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 & WUC components is being made on provisional basis, subject to revision upon notification of the Authority's decision of revised index.

