

National Electric Power Regulatory Authority

NOTIFICATION



Islamabad, the 05th day of September, 2023

S.R.O. 1248 (I)/2023. In pursuance of Proviso-ii of Sub-Section 7 of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), NEPRA hereby notifies the Decision of the Authority along with revised tariff components regarding quarterly indexation/adjustment of tariff for the quarter **July to September 2023** on account of applicable variations in the Exchange Rate, LIBOR, US CPI and Local CPI in respect of Karot Power Company (Pvt.) Ltd. in Case No. NEPRA/TRF-309/KPCL-2015.

2. While effecting the Decision, the concerned entities including Central Power Purchasing Agency Guarantee Limited (CPPAGL) shall keep in view and strictly comply with the orders of the courts notwithstanding this Decision.


(Engr. Mazhar Iqbal Ranjha)
Registrar

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

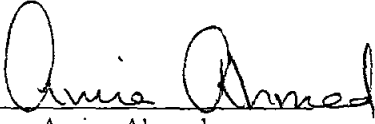
Pursuant to the decision of the Authority dated April 27, 2016, in the matter of Motion for Leave for Review filed by Karot Power Company (Pvt.) Ltd. (KPCL) against the Determination of the Authority in the matter of EPC Stage Tariff of 720 MW Karot Hydropower and determination of the Authority in the 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.

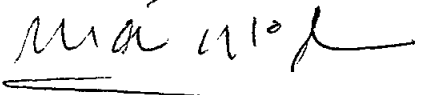
Accordingly, the tariff components have been revised/ indexed on account of applicable variations in the exchange rate, LIBOR, US CPI and local CPI for the quarter July – September 2023. The revised tariff indicated in the attached **Annex – I** shall be immediately applicable.

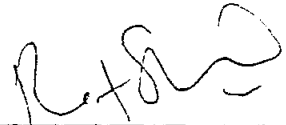
The indexation allowed is on an interim basis and shall be subject to adjustments, if necessary, in the light of the final decision of the Authority with respect to KPCL's COD tariff adjustment.

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.

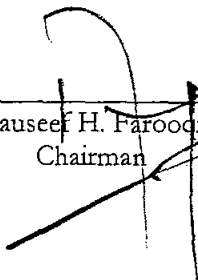
AUTHORITY

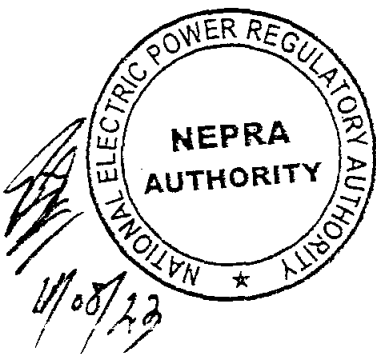

Amina Ahmed
Member


Mathar Niaz Rana (nsc)
Member


Engr. Rafique Ahmed Shaikh
Member


Engr. Maqsood Anwar Khan
Member


Tauseef H. Farooqi
Chairman



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

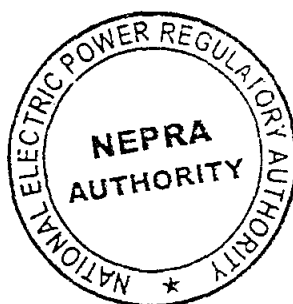
Tariff Components	Reference Tariff Determination	Revised Reference Tariff	Jul - Sep 2023	Indexation
Energy Charge (Rs./kWh)	0.3158	0.3158	0.5390	
V. O&M Local	0.1161	0.1161	0.1565	Local CPI
V. O&M Foreign	0.0497	0.0497	0.1802	US CPI & Rs./US\$
Water Use Charge	0.1500	0.1500	0.2023	Local CPI
Capacity Charge (Rs./kW/Month)	3,316.0235	3,110.0920	10,203.7171	
Fixed O&M Local	73.8339	73.8339	99.5755	Local CPI
Fixed O&M Foreign	172.2791	172.2791	624.6286	US CPI & Rs./US\$
ROE	685.8480	630.9966	1,783.0622	Rs./ US\$
ROEDC	303.0962	278.8558	787.9871	Rs./ US\$
Loan Repayment	986.4181	957.1964	2,704.8336	Rs./ US\$
Interest Charge	858.2912	789.6485	3,905.3681	LIBOR & US\$
Sinosure	122.4257	105.5500	298.2618	Rs./ US\$
Capacity (MW)			712.8000	Authority's decision dated April 27, 2016

Sources (Websites)				
Exchange Rate	101.6	101.6	287.10	NBP
6-month LIBOR	0.36%	0.0036	5.7623%	Global-rates.com or moneycafe.com
Local CPI	199.66	199.66	269.27	Pakistan Bureau of Statistics
US CPI	237.031	237.031	304.127	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.

* For the purpose of indexation of Local O&M and WUC components for July-September 2023, CPI of May was 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.

Since Karot Power commenced operations on June 29, 2022, accordingly WUC is required to be indexed w.e.f June 2023.





REGISTRAR

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Islamic Republic of Pakistan

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No. NEPRA/TRF-309/ 32449-51

September 05, 2023

The Manager
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Subject: **NOTIFICATION REGARDING DECISION OF THE AUTHORITY ALONG WITH REVISED TARIFF COMPONENTS REGARDING QUARTERLY INDEXATION/ADJUSTMENT OF TARIFF FOR THE QUARTER JULY TO SEPTEMBER 2023 ON ACCOUNT OF APPLICABLE VARIATIONS IN THE EXCHANGE RATE, LIBOR, US CPI AND LOCAL CPI IN RESPECT OF KAROT POWER COMPANY (PVT.) LTD.**

In pursuance of Proviso-ii of Sub-Section 7 of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), enclosed please find herewith "*Decision of the Authority along with revised tariff components regarding quarterly indexation/adjustment of tariff for the quarter **July to September 2023** on account of applicable variations in the Exchange Rate, LIBOR, US CPI and Local CPI in respect of Karot Power Company (Pvt.) Ltd.*" for immediate publication in the official gazette of Pakistan. Please also furnish thirty five (35) copies of the Notification to this Office after its publication.

Encl: Notification [03 pages]

(Engr. Mazhar Iqbal Ranjha)

CC:

1. Chief Executive Officer, Central Power Purchasing Agency (Guarantee) Limited, 73 East, AKM Fazl-e-Haq Road, Block H, G-7/2, Blue Area, Islamabad
2. Syed Mateen Ahmed, Deputy Secretary (T&S), Ministry of Energy – Power Division, 'A' Block, Pak Secretariat, Islamabad [w.r.t. NEPRA's Decision issued vide No. 21198-21202 dated August 11, 2023]