

National Electric Power Regulatory Authority

NOTIFICATION



Islamabad, the 27th day of November, 2023

S.R.O. 1733 (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 **October - December 2023** on account of Exchange Rate variation, N-CPI Local, US CPI and LIBOR 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



**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 Sinosure 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

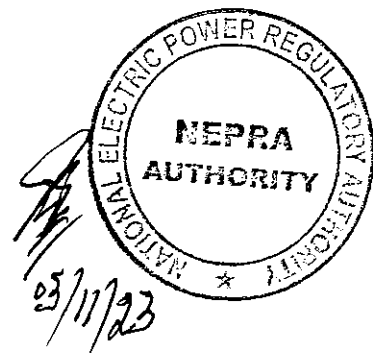
Mathar Niaz Rana (nsc)
Member

Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh
Member

Amina Ahmed
Member

Waseem Mukhtar
Chairman



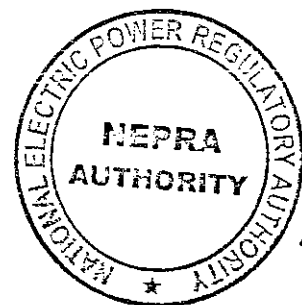
Karot Power Company
720 MW Karot Hydropower Project
Quarterly Indexation/Adjustment

Tariff Components	Revised Reference Tariff	Oct - Dec 2023	Indexation
Energy Charge (Rs./kWh)	0.4072	0.8186	
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
Capacity Charge (Rs./kW/Month)	2,984.0566	10,313.5696	
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\$
			Sources (Websites)
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.

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REGISTRAR

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Islamic Republic of Pakistan

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November 27, 2023

The Manager
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Islamabad


Subject: **NOTIFICATION REGARDING DECISIONS OF THE AUTHORITY**

In pursuance of Proviso (ii) to 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 following Decisions of the Authority as per following detail for immediate publication in the official Gazette of Pakistan:

S. No.	Decision	Issuance No. and Date
1.	Decision of the Authority regarding quarterly indexation/adjustment of tariff for Malakand-III Hydropower Project of Pakhtunkhwa Energy Development Organization's Malakand-III (PEDO) for the quarter October - December 2023	36050-36054 03-11-2023
2.	Decision of the Authority regarding quarterly indexation/adjustment of tariff for the quarter October - December 2023 in respect of Karot Power Company (Pvt.) Ltd.	36062-36066 03-11-2023

2. Please also furnish thirty five (35) copies of the Notifications to this Office after its publication.

Encl: 2 Notifications


(Engr. Mazhar Iqbal Ranjha)
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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