

National Electric Power Regulatory Authority

NOTIFICATION



Islamabad, the 9th day of May, 2023

S.R.O. 538 (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 Malakand-III Hydropower Project of Pakhtunkhwa Energy Development Organization's Malakand-III (PEDO) for the quarter w.e.f. January 1, 2023 to March 31, 2023 on account of US CPI. CPI (Local), US\$/PKR Exchange Rate variation in Case No. NEPRA/TRF-81/SHYDO-2007.

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

9/5/23



**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY
INDEXATION/ADJUSTMENT OF TARIFF FOR MALAKAND-III POWER PROJECT**

Pursuant to the Authority's Determination in case No. NEPRA/TRF-81/SHYDO-2007 dated 2nd April 2008 and subsequent corrigendum/addendum dated 12th June 2008 notified vide SRO 643(1)/2008 dated 18th June 2008 and the Decision of the Authority dated 27th September 2010 notified vide SRO 1117(1)/2010 dated December 09, 2010 in the matter of adjustment at commercial operation date, the tariff components for the quarter w.e.f 1st January, 2023 to 31st March 2023 has been revised on account of US CPI, CPI (Local), US\$/PKR exchange rate variation in accordance with the requisite indexation/adjustment mechanism stipulated in the aforementioned determination/decision of the Authority.

2. The revised tariff components attached as **Annex-I** are to be notified in the official gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

3. CPPA (G) to ensure that all payments are consistent with tariff determination(s).

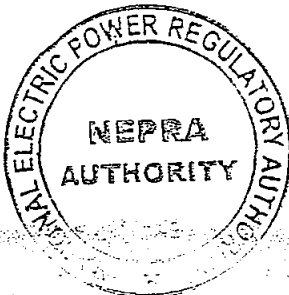
AUTHORITY

Amina Ahmed
Member

Mathar Niaz Rana (nsc)
Member

Engr. Rafique Ahmed Shaikh
Member

Engr. Maqsood Anwar Khan
Member

Tauseef H. Farooqi
Chairman

12/04/23

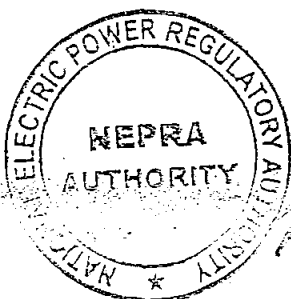
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Malakand-III Hydro Power Project
Adjustment on Account of Quarterly Indexation

Tariff Components	Reference	w.e.f Jan 01- Mar 31 2023	Indexation
	Rs/kWh	Rs/kWh	
Fixed Charges			
Fixed O&M Local**	0.1218	0.2120	Local CPI
Fixed O&M Foreign	0.2169	1.1713	Rs./ US\$ & US CPI
ROE	1.0651	2.9653	Rs./ US\$
ROEDC	0.8938	2.4884	Rs./ US\$
Variable Charges			
Variable O&M (foreign)	0.1000	0.5400	Rs./ US\$ & US CPI
Water Use Charge**	0.2167	0.3771	Local CPI
Total Tariff	2.6143	7.7540	
Indexation Values			
US(CPI)	208.490	297.7110	US Bureau of Labor Statistics
CPI (General) - Local	154.720	269.2700	Pakistan Bureau of Statistics
Rs/US\$ For O&M	60.000	226.9000	NBP
Rs/US\$ For Equity	81.500	226.9000	NBP

**For the purpose of indexation of Local O&M component w.e.f Jan 01, 2023 to Mar 31, 2023 CPI of November 2022 is required to be used. Similarly Water Usage Charge (WUC) is subject to adjustment annually with CPI (General)-Local from date of COD. Since Malakand-III commenced its COD in the month of November, accordingly WUC is required to be indexed w-e-f Nov, 2022. 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. As per relevant provision of the PPA, 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 and WUC are being made on provisional basis, subject to revision upon decision of new reference index value by the Authority.

***The Authority vide its decision dated March 10, 2021 replaced CPI Base Year 2007-08 with N-CPI Base Year 2015-16. The decision shall be implemented upon Notification in the Official Gazette.





REGISTRAR

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Islamic Republic of Pakistan

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No. NEPRA/TRF-81/ 10425-27


09
May, 2023

The Manager
Printing Corporation of Pakistan Press
Shahrah-e-Suharwardi
Islamabad

Subject: **NOTIFICATION REGARDING DECISION OF THE AUTHORITY ALONG WITH REVISED TARIFF COMPONENTS REGARDING QUARTERLY INDEXATION/ADJUSTMENT OF TARIFF FOR MALAKAND-III HYDROPOWER PROJECT OF PAKHTUNKHWA ENERGY DEVELOPMENT ORGANIZATION'S MALAKAND-ILL (PEDO) FOR THE QUARTER W.E.F. JANUARY 1, 2023 TO MARCH 31, 2023 ON ACCOUNT OF US CPI. CPI (LOCAL), US\$/PKR EXCHANGE RATE VARIATION**

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 Malakand-III Hydropower Project of Pakhtunkhwa Energy Development Organization's Malakand-III (PEDO) for the quarter w.e.f. January 1, 2023 to March 31, 2023 on account of US CPI. CPI (Local), US\$/PKR Exchange Rate variation" 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.

9 ✓ 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. 8824-8828 dated April 12, 2023]