

National Electric Power Regulatory Authority

NOTIFICATION



Islamabad, the 11th day of December, 2024

S.R.O. 2209 (I)/2024.- 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 dated November 19, 2024 along with revised tariff components regarding quarterly indexation/adjustment of tariff for the quarter **October - December 2024** in respect of Karot Power Company (Pvt.) Limited 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.


(Wasim Anwar Bhinder)
Registrar



**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ADJUSTMENT
OFF THE TARIFF OF 720MW KAROT POWER COMPANY (PVT.) LTD.**

Pursuant to the stipulated mechanism in the tariff determination of the Authority dated February 24, 2016, in the matter of the petition filed by KPCL for the determination of EPC Stage Generation Tariff in respect of the 720-MW Karot Hydropower Project, read with the decision of the Authority dated April 27, 2016, in the matter of Motion for Leave for Review and the decision of the Authority dated March 10, 2021, regarding the change of base year from 2007-2008 to 2015-16 for the Consumer Price Index (CPI), the tariff components of KPCL are required to be indexed/adjusted.

2. According to KPCL, it achieved Commercial Operations Date (COD) on June 29, 2022, and submitted its request for a 'One Time Adjustment of Tariff at COD' on September 30, 2022 which is under process. Subsequently, KPCL, vide letter dated October 25, 2022, also submitted a request for interim indexations on tariff components computed on a reduced project cost of USD 1,562 million instead of the approved USD 1,698 million, on account of applicable variations in exchange rate, LIBOR, US CPI, and Local CPI for the period from COD till October-December 2022. Based on the reduced project cost, the relevant tariff components were revised and accordingly, the Authority, vide decision dated February 09, 2023, approved the interim indexation from COD till December 2022, subject to adjustment in light of the COD decision of the Authority.

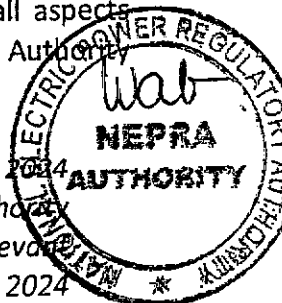
3. Subsequently, the Authority, vide decisions dated May 29, 2023, August 11, 2023, November 03, 2023, June 04, 2024 and September 10, 2024, also approved KPCL's quarterly interim indexation requests on revised references on an interim basis till July-September, 2024, subject to adjustment in light of the COD decision of the Authority.

4. However, the Authority, while considering KPCL's interim indexation requests for the January - March 2024, April - June 2024 and July - September 2024 quarters, observed that it has not complied with the directions of the Authority communicated vide letter no. NEPRA/ADG(trf)/TRF-309/KPCL-2015/22156 dated November 17, 2022, which was related to the submission of a project cost audit report as per the approved ToR and other documentary evidence related to COD tariff adjustment. The Authority therefore decided to allow the indexation of tariff components while restricting ROE/ROEDC components on reference till December 31, 2024.

5. Therefore, the Authority in its collective and joint wisdom considering all aspects decided with consensus as under; which will be hereafter called as decision of the Authority in the matter:

"Allowed interim indexation of tariff components for the period of Oct-Dec 2024 while restricting ROE and ROEDC on revised reference components. The Authority further directs KPCL to submit the audit report on the project cost and other relevant documentary evidence pertaining to COD tariff adjustment till December 31, 2024 failing which the matter will be decided based on available information."

6. 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.



Noted



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

AUTHORITY

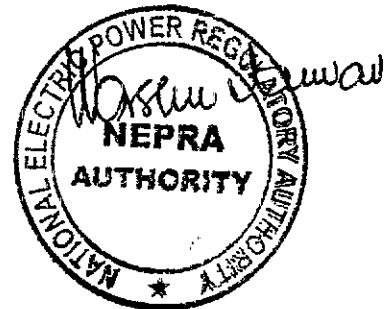
Mathar Niaz Rana (nsc)
Member

Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh
Member

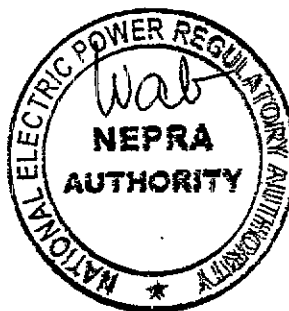
Amina Ahmed
Member

Waseem Mukhtar
Chairman



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

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REGISTRAR

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No. NEPRA/TRF-309/KPCL-2015/ 19113-15

December 11, 2024

The Manager
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Subject: **NOTIFICATION REGARDING DECISION OF THE AUTHORITY
REGARDING QUARTERLY INDEXATION/ADJUSTMENT OF TARIFF
FOR THE QUARTER OCTOBER - DECEMBER 2024 IN RESPECT OF
KAROT POWER COMPANY (PVT.) LIMITED**

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 October - December 2024 in respect of Karot Power Company (Pvt.) Limited*' 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 [04 pages]


(Wasim Anwar Bhinder)

CC:

1. Chief Executive Officer, Central Power Purchasing Agency (Guarantee) Limited, 73 East, AK 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. 17640-17644 dated November 19, 2024]